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**TUNICA COUNTY, MISSISSIPPI**  
**Audited Financial Statements and Special Reports**  
**For the Year Ended September 30, 2021**



**TUNICA COUNTY  
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# **TUNICA COUNTY**

## **FINANCIAL SECTION**

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PRIVATE COMPANIES PRACTICE SECTION

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Tunica County, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Tunica County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tunica County Airport Commission component unit, which represents 65 percent, 85 percent, and 11 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, are based solely on the report of the other auditors. However, we did audit the Tunica County Utility District, the Tunica County Tourism Commission, the Tunica County Public Projects, Inc., and the Tunica County Healthcare Authority component units, which represent 35 percent, 15 percent, and 89 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Our audit and the component unit audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we and the component unit auditors plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Unmodified Opinions**

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tunica County, Mississippi, as of September 30, 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.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2022, on our consideration of Tunica County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tunica, County Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tunica County Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

July 15, 2022

## **TUNICA COUNTY, MISSISSIPPI**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**TUNICA COUNTY, MISSISSIPPI**  
**Management's Discussion and Analysis**  
**UNAUDITED**

Our discussion and analysis of Tunica County, Mississippi's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2021. Readers should also review the basic financial statements and disclosures to enhance their understanding of the County's financial performance.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the 2021 fiscal year by \$85,360,022 (net position). Of this amount the unrestricted net position showed a deficit balance of (\$13,855,946).
- The remaining net position of the County includes: \$90,599,595 invested in capital assets, net of related debt; and \$8,616,373 restricted (for general government, public safety, public works and debt service).
- Total assets increased \$4,476,942 from 2020.
- Total deferred outflows of resources decreased \$169,998 from 2020.
- Total liabilities decreased \$16,411,597 from 2020.
- Total deferred inflows of resources increased \$10,190,032 from 2020.
- The County's total net position increased \$10,528,509 from 2020.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

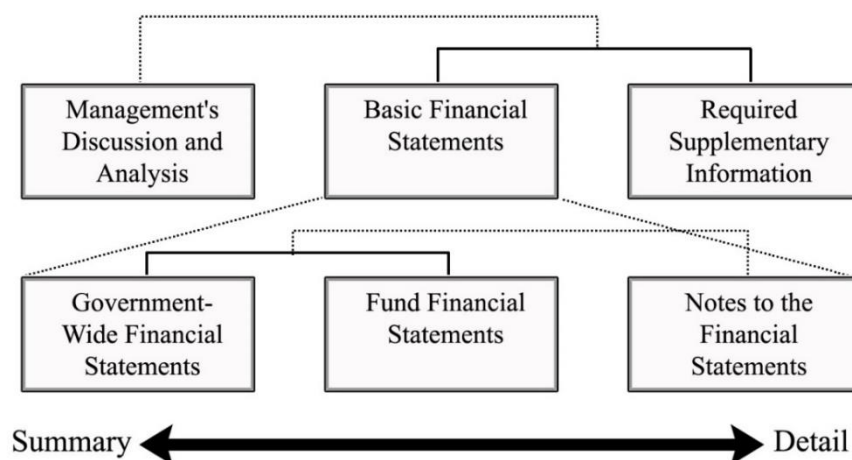


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

**TUNICA COUNTY, MISSISSIPPI**  
**Management's Discussion and Analysis**  
**UNAUDITED**

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

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

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

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

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government; public safety; public works (roads and bridges); health and welfare; culture and recreation; conservation of natural resources; economic development; pension gain/benefit, and interest on long-term debt.

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

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary activities are presented in a separate Statement of Fiduciary Net Position, which can be found beginning on page 24 of this report.

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

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary control and pensions beginning on page 57.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the major funds, which are the General Fund and each major special revenue fund. The budget comparison schedules can be found beginning at page 58.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position** – Net position may serve over time as a useful indicator of a government's financial position. In the case of Tunica County, assets and deferred outflows exceeded liabilities and deferred inflows by \$85,360,022 as of September 30, 2021.

By far, the largest portions of the County's net position, \$90,599,595 (106%) reflects its accumulation of funds invested in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture & equipment, and construction in progress) less related outstanding debt used to acquire such assets. The County uses these capital assets to provide services to citizens.

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

	Governmental Activities		Increase	Percentage
	2021	2020	(Decrease)	change
Current and other assets	\$ 49,090,100	\$ 40,939,531	\$ 8,150,569	19.91%
Capital assets, net	124,879,283	128,552,910	(3,673,627)	-2.86%
Total Assets	173,969,383	169,492,441	4,476,942	2.64%
Deferred outflows	2,277,504	2,447,502	(169,998)	-6.95%
Current and other liabilities	14,424,058	13,637,706	786,352	5.77%
Net pension liability	18,131,155	31,012,852	(12,881,697)	-41.54%
Long-term debt	34,890,003	39,206,255	(4,316,252)	-11.01%
Total Liabilities	67,445,216	83,856,813	(16,411,597)	-19.57%
Deferred inflows	23,441,649	13,251,617	10,190,032	76.90%
<b>Net Position:</b>				
Net Investment in capital assets	90,599,595	104,206,898	(13,607,303)	-13.06%
Restricted	8,616,373	8,012,615	603,758	7.54%
Unrestricted	(13,855,946)	(37,388,000)	23,532,054	62.94%
Total Net Position	\$ 85,360,022	\$ 74,831,513	\$ 10,528,509	14.07%

The County's total assets increased to \$173,969,383 during 2021 due to an increase in current assets of \$8,150,569 and decrease in capital assets of \$3,673,627.

The County's total liabilities decreased to \$67,445,216. The decrease in liabilities is \$16,411,597. It is primarily attributable to a decrease in pension liability and long-term debt.

The County's net position increased by \$10,528,509 from 2020.

Additional information on unrestricted net position:

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

Total unrestricted net position (deficit)	\$ (13,855,946)
Less: unrestricted deficit in net position resulting from recognition of GASB 68 & 71	27,520,626
Unrestricted net position, exclusive of the net pension liability effect	<u>\$ 13,664,680</u>

**Changes in Net Position** – The County's total revenues and transfers for the fiscal year ended September 30, 2021 and 2020 were \$36,649,088 and \$28,781,335, respectively. This reflects an increase of \$7,867,753. The total cost for all services provided were \$25,991,523 and \$56,516,285 for 2021 and 2020, respectively. This reflects a decrease of \$30,524,762. The increase in the change in net position was \$38,392,515. The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2021 and 2020.

**TUNICA COUNTY, MISSISSIPPI**  
**Management's Discussion and Analysis**  
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(Table 2)  
**Changes in Net Position**

	Governmental Activities		Increase	Percentage
	2021	2020	(Decrease)	Change
<b>Total Revenues and Transfers</b>				
Program Revenues:				
Charges for services	\$ 1,745,924	\$ 1,685,081	\$ 60,843	3.61%
Federal and state grants	1,151,712	981,615	170,097	17.33%
General Revenues:				
Property taxes	10,768,742	10,294,378	474,364	4.61%
Gaming revenue	20,628,245	14,512,536	6,115,709	42.14%
Other taxes and other	2,354,465	8,016,924	(5,662,459)	-70.63%
Transfers out - component units	-	(6,709,199)	6,709,199	100.00%
<b>Total Revenues and Transfers</b>	<b>36,649,088</b>	<b>28,781,335</b>	<b>7,867,753</b>	<b>27.34%</b>
<b>Expenses:</b>				
General government	\$ 9,504,461	\$ 8,547,638	956,823	11.19%
Public safety	7,255,576	7,527,845	(272,269)	-3.62%
Public Works	5,040,193	4,271,370	768,823	18.00%
Health and welfare	1,215,728	1,733,330	(517,602)	-29.86%
Culture and recreation	2,410,895	3,416,957	(1,006,062)	-29.44%
Conservation of natural resources	122,241	139,893	(17,652)	-12.62%
Economic development and assistance	39,250	25,897,926	(25,858,676)	-99.85%
Interest on long-term debt	1,879,681	2,420,107	(540,426)	-22.33%
Pension expense	-	2,561,219	(2,561,219)	-100.00%
Pension gain/benefit	(1,476,502)	-	(1,476,502)	-100.00%
<b>Total Expenses</b>	<b>25,991,523</b>	<b>56,516,285</b>	<b>(30,524,762)</b>	<b>-54.01%</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 10,657,565</b>	<b>\$ (27,734,950)</b>	<b>\$ 38,392,515</b>	<b>138.43%</b>

The County's governmental activities continue to be funded primarily by gaming revenue, which made up 56.29% of the total revenues. The other major revenue sources were property taxes 29.38%, federal and state grants 3.14%, charges for services 4.76%, and other taxes and other revenue 6.42%. The major expense activities were general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, and interest on long-term debt, which comprise 36.57%, 27.92%, 19.39%, 4.68%, 9.28%, 0.47%, 0.15% and 7.23% of total expenses, respectively. The County remains committed to providing the services its residents expect and need.

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

**TUNICA COUNTY, MISSISSIPPI**  
**Management's Discussion and Analysis**  
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The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity.)

<b>Functions:</b>	<b>Total Costs</b>	<b>Net Costs</b>
General government	\$ 9,504,461	\$ 8,427,691
Public safety	7,255,576	6,869,811
Public Works	5,040,193	3,741,210
Health and welfare	1,215,728	1,199,291
Culture and recreation	2,410,895	2,291,214
Conservation of natural resources	122,241	122,241
Economic development and assistance	39,250	39,250
Interest on long-term debt	1,879,681	1,879,681
Pension gain/benefit	(1,476,502)	(1,476,502)

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

**Governmental funds** – At the close of the fiscal year, the County's governmental funds reported a combined fund balance of \$17,360,252, an increase of \$7,061,915.

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 \$7,326,804.

**BUDGETARY HIGHLIGHTS OF MAJOR FUNDS**

Over the course of the year, the County revised its annual operating budget on several occasions. These revisions are reflected in the budgetary schedules beginning at page 58.

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

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

**Capital Assets**

As of September 30, 2021, the County had \$124,879,283 invested in a broad range of capital assets, including land, construction in progress, infrastructure, buildings and improvements, mobile equipment, furniture and equipment, and capital leases. (See Table 3 below). This amount represents a net decrease (including additions, deletions, and adjustments) of approximately \$3,673,627 or 2.86% under the prior year. The following table is a summary of changes in capital assets, net of accumulated depreciation.

(Table 3)  
**CAPITAL ASSETS AT YEAR-END**

	Government Activities		Increase	Percentage
	2021	2020	(Decrease)	Change
Land	\$ 7,358,508	\$ 7,358,508	\$ -	0.00%
Construction in progress	71,997	71,997	-	0.00%
Infrastructure	49,042,056	50,227,342	(1,185,286)	-2.36%
Buildings & improvements	64,826,672	67,546,613	(2,719,941)	-4.03%
Mobile equipment	2,728,824	2,687,649	41,175	1.53%
Furniture & equipment	563,219	660,801	(97,582)	-14.77%
Leased property under capital lease	288,007	-	288,007	N/A
Totals	<u>\$ 124,879,283</u>	<u>\$ 128,552,910</u>	<u>\$ (3,673,627)</u>	<u>-2.86%</u>

Total accumulated depreciation as of September 30, 2021 was \$151,563,791, including \$4,910,156 of depreciation expense for the year. The balance in total net capital assets was \$124,879,283 at year-end.

Additional information on the County's capital assets can be found in note 8 on page 37 of this report.



**TUNICA COUNTY, MISSISSIPPI**  
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**Debt Administration** – At September 30, 2021, the County had \$34,890,003 in long term debt outstanding compared to \$39,206,255 last year, a decrease of \$4,316,252. Of this debt, \$4,274,592 is due within one year.

The following table illustrates the total Long-term Debt of the County as of September 30, 2021 and September 30, 2020:

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

	Governmental Activities		Increase	Percentage
	2021	2020	(Decrease)	Change
General obligation bonds	\$ 9,175,000	\$ 11,975,000	\$ (2,800,000)	-23.38%
Less: Discounts	(39,579)	(49,491)	9,912	20.03%
Add: Premiums	211,423	267,871	(56,448)	-21.07%
Net General obligation bonds	9,346,844	12,193,380	(2,846,536)	-23.34%
Limited obligation bonds	14,385,000	14,385,000	-	0.00%
Less: Discounts	(249,106)	(268,403)	19,297	7.19%
Net Limited obligation bonds	14,135,894	14,116,597	19,297	0.14%
Other loans	10,654,095	12,395,580	(1,741,485)	-14.05%
Capital Leases	344,592	59,685	284,907	477.35%
Compensated absences	408,578	441,013	(32,435)	-7.35%
Totals	\$ 34,890,003	\$ 39,206,255	\$ (4,316,252)	-11.01%

Additional information on the County's long-term debt can be found in note 14 on page 49 of this report.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the Tunica County Administrator or the Chancery Clerk's office at P.O. Box 639, Tunica, Mississippi 38676.

## **TUNICA COUNTY**

## **FINANCIAL STATEMENTS**

**TUNICA COUNTY**  
**Statement of Net Position**  
**September 30, 2021**

**Exhibit 1**

	Primary Government		Component Units				
	Governmental Activities	Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	Total Component Units
<b>ASSETS</b>							
Cash	\$ 12,827,788	500,336	141,964	377,267	1,267,140	404,475	2,691,182
Property tax receivable	10,938,362						
Accounts receivable, (net of allowance for uncollectibles of \$0, \$0, \$6,825 & \$169,599)		179,513	26,030	16,587		117,176	339,306
Fines receivable, (net of allowance for uncollectibles of \$4,708,949)	1,099,261						
Loans receivable	2,727,039						
Intergovernmental receivables	1,905,177		53,883		348,577		402,460
Other receivables/assets	585		96,648				96,648
Capital lease receivable	5,908,877						
Inventories and prepaid items		70,894	60,874	86,568	203,775		422,111
Property held for resale	12,000,000						
Restricted cash/investments	1,683,011	1,681	5,699				7,380
Capital assets:							
Land and construction in progress	7,430,505	526,673	3,193,192				3,719,865
Other capital assets, net	117,448,778	10,585,286	24,727,301	150,518	449,054		35,912,159
Total Assets	173,969,383	11,864,383	28,305,591	630,940	2,268,546	521,651	43,591,111
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred amount on refunding	201,737						
Deferred outflows related to pension	2,075,767		56,475		141,816	177,392	375,683
Total Deferred Outflows of Resources	2,277,504	-	56,475	-	141,816	177,392	375,683

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

**TUNICA COUNTY**  
**Statement of Net Position**  
**September 30, 2021**

**Exhibit 1**  
**continued**

	Primary Government	Component Units					Total Component Units
	Governmental Activities	Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	
<b>LIABILITIES</b>							
Claims payable and accrued expenses	44,785	196,095	233,463	97,662	5,276	51,390	583,886
Intergovernmental payables	646,087	2,623,137					2,623,137
Amounts held in custody for others	99,837	44,769		371,285			416,054
Accrued interest payable	640,710	14,015					14,015
Unearned revenue	935,452			61,702			61,702
Other payables	57,187						
Short-term debt	12,000,000		33,838				33,838
Long-term liabilities							
Due within one year:							
Capital related debt	4,274,592	634,851	31,417	43,388			709,656
Due in more than one year:							
Capital related debt	30,206,833	2,872,768	287,755	56,903			3,217,426
Non-capital debt	408,578						
Net pension liability	18,131,155		458,932		1,285,898	1,606,042	3,350,872
Total Liabilities	67,445,216	6,385,635	1,045,405	630,940	1,291,174	1,657,432	11,010,586
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows related to pension	11,465,238		385,209		431,505	577,559	1,394,273
Deferred revenues- property taxes	10,938,362						
Deferred revenue - interest on capital leases	1,038,049						
Total Deferred Inflows of Resources	23,441,649	-	385,209	-	431,505	577,559	1,394,273
<b>NET POSITION</b>							
Net investment in capital assets	90,599,595	7,604,340	27,551,065	50,227	449,054		35,654,686
Restricted for:							
Expendable:							
General government	3,678						
Public safety	287,848						
Public works	6,641,836						
Health & welfare						(1,535,948)	(1,535,948)
Debt Service	1,683,011						
Airport - unemployment compensation			5,699				5,699
Unrestricted	(13,855,946)	(2,125,592)	(625,312)	(50,227)	238,629		(2,562,502)
Total Net Position	\$ 85,360,022	5,478,748	26,931,452	-	687,683	(1,535,948)	31,561,935

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

**TUNICA COUNTY**

**Exhibit 2**

**Statement of Activities – Primary Government  
For the Year Ended September 30, 2021**

Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 9,504,461	1,010,618	66,152		(8,427,691)
Public safety	7,255,576	196,867	188,898		(6,869,811)
Public works	5,040,193	418,758	880,225		(3,741,210)
Health and welfare	1,215,728		16,437		(1,199,291)
Culture and recreation	2,410,895	119,681			(2,291,214)
Conservation of natural resources	122,241				(122,241)
Economic development and assistance	39,250				(39,250)
Interest on long-term debt	1,879,681				(1,879,681)
Pension gain/benefit	(1,476,502)				1,476,502
Total Primary Government	\$ 25,991,523	1,745,924	1,151,712	-	(23,093,887)
General revenues:					
Property taxes				\$	10,768,742
Gaming revenue					20,628,245
Road & bridge privilege taxes					132,177
Grants and contributions not restricted to specific programs					474,431
Rental income					279,174
Unrestricted interest income					274,288
Gain on disposal of assets					406,384
Miscellaneous					788,011
Total General Revenues					33,751,452
Changes in Net Position					10,657,565
Net Position - Beginning, as previously reported					
Fund reclassification					74,831,513
Prior period adjustment					42,746
Net Position - Beginning, as restated					(171,802)
Net Position - Ending				\$	74,702,457
					85,360,022

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

**TUNICA COUNTY**  
**Statement of Activities – Component Units**  
**For the Year Ended September 30, 2021**

**Exhibit 2**  
**continued**

Component Units										
Component	Expenses	Program Revenues			Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions						
Tunica County Utility District	\$ 5,129,901	2,588,303			(2,541,598)					(2,541,598)
Tunica County Airport Commission	3,042,557	818,757	165,544	123,472		(1,934,784)				(1,934,784)
Tunica County Public Projects, Inc.	2,101,709	1,542,871					(558,838)			(558,838)
Tunica County Tourism Commission	2,097,365		1,163,089					(934,276)		(934,276)
Tunica County Healthcare Authority	2,262,620	1,228,786	200,000						(833,834)	(833,834)
Total Component Units	\$ 14,634,152	6,178,717	1,528,633	123,472						(6,803,330)
General revenues:										
Tourism taxes	\$							1,282,617		1,282,617
Grants and contributions not restricted to specific programs							558,838		802,267	1,361,105
Unrestricted interest income					218	162		3,064	553	3,997
Total General Revenues					218	162	558,838	1,285,681	802,820	2,647,719
Changes in Net Position					(2,541,380)	(1,934,622)	-	351,405	(31,014)	(4,155,611)
Net Position - Beginning, as previously reported					8,011,532	28,866,074	-	336,278	833,913	38,047,797
Prior period adjustment					8,596				(2,338,847)	(2,330,251)
Net Position - Beginning, as restated					8,020,128	28,866,074	-	336,278	(1,504,934)	35,717,546
Net Position - Ending	\$				5,478,748	26,931,452	-	687,683	(1,535,948)	31,561,935

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

**TUNICA COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2021**

**Exhibit 3**

	<b>Major Funds</b>				
	<b>General Fund</b>	<b>Road Maintenance Fund</b>	<b>General Obligation Bond Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash	\$ 3,085,463	6,457,514	2,079,812	1,204,999	12,827,788
Property tax receivable	4,624,069		5,766,486	547,807	10,938,362
Fines receivable, (net of allowance or uncollectibles of \$4,708,949)	1,099,261				1,099,261
Loan receivable	2,674,005		53,034		2,727,039
Intergovernmental receivables	1,685,069	220,108			1,905,177
Capital lease receivable				5,908,877	5,908,877
Due from other funds	2,155,719	9,145	22,873	352	2,188,089
Property held for resale				12,000,000	12,000,000
Advances to other funds	42,746				42,746
Other receivables	585				585
Restricted assets - investments	1,683,011				1,683,011
Total Assets	<u>17,049,928</u>	<u>6,686,767</u>	<u>7,922,205</u>	<u>19,662,035</u>	<u>51,320,935</u>
<b>LIABILITIES</b>					
Claims payable	38,486	2,186		4,112	44,784
Intergovernmental payables	646,087				646,087
Due to other funds	35,441		2,155,719		2,191,160
Amounts held in custody for others	99,837				99,837
Other payables	54,117				54,117
Unearned revenue				935,452	935,452
Short-term debt				12,000,000	12,000,000
Advances from other funds		42,746			42,746
Total Liabilities	<u>873,968</u>	<u>44,932</u>	<u>2,155,719</u>	<u>12,939,564</u>	<u>16,014,183</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	4,624,069		5,766,486	547,807	10,938,362
Unavailable revenue- capital lease				5,908,877	5,908,877
Unavailable revenue-fines	1,099,261				1,099,261
Total Deferred Inflows of Resources	<u>5,723,330</u>	<u>-</u>	<u>5,766,486</u>	<u>6,456,684</u>	<u>17,946,500</u>
<b>FUND BALANCE</b>					
Non-spendable:					
Advance	42,746				42,746
Restricted for:					
General Government				3,678	3,678
Public safety				262,109	262,109
Public works		6,641,835			6,641,835
Debt service	1,683,011				1,683,011
Unassigned	8,726,873				8,726,873
Total Fund Balances	<u>10,452,630</u>	<u>6,641,835</u>	<u>-</u>	<u>265,787</u>	<u>17,360,252</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,049,928</u>	<u>6,686,767</u>	<u>7,922,205</u>	<u>19,662,035</u>	<u>51,320,935</u>

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

**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
September 30, 2021**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 17,360,252
Amounts reported for governmental services in the Statement of Net Position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$151,563,791.	124,879,283
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,099,261
Deferred amount on refunding	201,737
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(34,890,003)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(640,710)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,870,828
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(18,131,155)
Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	2,075,767
Deferred inflows of resources related to pensions	<u>(11,465,238)</u>
	(9,389,471)
Total Net Position - Governmental Activities	\$ <u><u>85,360,022</u></u>

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



## TUNICA COUNTY

## Exhibit 4

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

	Major Funds				
	General Fund	Road Maintenance Fund	General Obligation Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 5,716,167		4,480,872	571,703	10,768,742
Gaming revenue	18,219,032	2,409,212			20,628,244
Road and bridge privilege taxes		132,177			132,177
Licenses, commissions and other revenue	905,263			5,493	910,756
Fines and forfeitures	221,111				221,111
Intergovernmental revenues	1,211,840	414,303			1,626,143
Charges for services	433,358			94,620	527,978
Interest income	88,872	24,556	3,351	157,509	274,288
Rental income	279,174				279,174
Miscellaneous revenues	512,595	275,416			788,011
Total Revenues	27,587,412	3,255,664	4,484,223	829,325	36,156,624
<b>EXPENDITURES</b>					
Current:					
General government	7,826,728				7,826,728
Public safety	6,991,320			828,752	7,820,072
Public works	707,818	3,331,979			4,039,797
Health and welfare	1,405,069				1,405,069
Culture and recreation	2,171,983				2,171,983
Conservation of natural resources	133,485				133,485
Economic development and assistance	39,348				39,348
Debt service:					
Principal	240,734		4,075,094	295,750	4,611,578
Interest and other costs	1,238,225		627,678	150,203	2,016,106
Total Expenditures	20,754,710	3,331,979	4,702,772	1,274,705	30,064,166
Excess of Revenues over (under) Expenditures	6,832,702	(76,315)	(218,549)	(445,380)	6,092,458
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	367,705	137,312			505,017
Proceeds of long-term debt	355,000				355,000
Lease principal payments				295,012	295,012
Transfers in	3,094,747		2,206,724	931,054	6,232,525
Transfers out	(3,137,778)	(43,914)	(1,040,012)	(2,010,821)	(6,232,525)
Total Other Financing Sources and Uses	679,674	93,398	1,166,712	(784,755)	1,155,029
Net Changes in Fund Balances	7,512,376	17,083	948,163	(1,230,135)	7,247,487
Fund Balances - Beginning, as previously reported	3,125,826	6,624,752	(948,163)	1,495,922	10,298,337
Fund reclassification	42,746				42,746
Prior period adjustment(s)	(228,318)				(228,318)
Fund Balances - Beginning, as restated	2,940,254	6,624,752	(948,163)	1,495,922	10,112,765
Fund Balances - Ending	\$ 10,452,630	6,641,835	-	265,787	17,360,252

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

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

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 7,247,487
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$4,910,156 exceeded capital outlays of \$1,335,162 in the current period.	(3,574,994)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the net gain of \$406,384 and the proceeds from the sale of \$505,017 in the current period.	(98,633)
Fine revenue recognized on the modified accrual basis in the funds during the current year is decreased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	86,079
Debt proceed provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$4,611,578 exceeded debt proceeds of \$355,000.	4,256,578
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	32,435
Change in accrued interest payable	210,082
The amortization of:	
Deferred amount on refunding bonds	(100,896)
Premiums on bonds	56,448
Discounts on bonds	(29,209)
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus the change in net position differs from change in funds balances by the principal collections	(295,012)
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension gain/benefit for the current year	1,476,502
Recognition of contributions made for the current year	1,390,698
Change in Net Position of Governmental Activities	\$ <u><u>10,657,565</u></u>

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

**TUNICA COUNTY**  
**Statement of Fiduciary Net Position**  
**September 30, 2021**

**Exhibit 5**

	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash	\$ 31,774	6,877
Due from other funds		3,071
Intergovernmental receivable		<u>440,216</u>
Total Assets	<u>31,774</u>	<u>450,164</u>
<b>LIABILITIES</b>		
Intergovernmental payables		<u>310,502</u>
Total Liabilities	<u>-</u>	<u>310,502</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	<u>31,774</u>	<u>139,662</u>
Total Net Position	<u>\$ 31,774</u>	<u>139,662</u>

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

**TUNICA COUNTY**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2021**

**Exhibit 6**

	<b><u>Private Purpose Trust Fund</u></b>	<b><u>Custodial Funds</u></b>
<b>ADDITIONS</b>		
Interest income	\$ 339	
Property tax collections for other governments		886,772
Fines & fee collections for other governments		407,372
Hotel tax collections for other governments		1,242,398
Gaming collections for other governments		4,908,232
Total Additions	<u>339</u>	<u>7,444,774</u>
<b>DEDUCTIONS</b>		
Payments of property tax collections to other governments		886,281
Payments of fines & fee collections to other governments		390,120
Payments hotel tax collections to other governments		1,337,993
Payments of gaming collections to other governments		5,167,911
Total Deductions	<u>-</u>	<u>7,782,305</u>
Net increase (decrease) in fiduciary net position	339	(337,531)
<b>NET POSITION - BEGINNING</b>	31,435	477,193
<b>NET POSITION - ENDING</b>	<u>\$ 31,774</u>	<u>139,662</u>

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

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

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**A. Financial Reporting Entity.**

Tunica County, Mississippi (the County), is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Tunica County to present these financial statements on the primary government and its component units, which have significant operational or financial relationships with the County.

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

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

**B. Independent Component Unit Disclosures.**

Discretely Presented Component Units

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

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

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

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

- Tunica County Healthcare Authority, located in Tunica, Mississippi is organized under the laws of the State of Mississippi pursuant to Miss. Code Ann. § 41-13-10 et seq., as amended. The Tunica County Healthcare Authority is owned by Tunica County, Mississippi, and operated by the Board of Trustees. The Board of Trustees consists of five (5) members and are appointed by the Board of Supervisors, each of which appoints one member from his or her district. The Board provides and manages two healthcare clinics, namely the Tunica Clinic and the Tunica Resorts Clinic (together the "Clinic" or "Clinics") and is charged with promoting and making provision for the delivery of health care services to meet the needs of Tunica County, Mississippi consistent with applicable health planning and licensure laws and regulations.

**C. Basis of Presentation.**

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

**Government-wide Financial Statements:**

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

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

**Fund Financial Statements:**

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

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

**D. Measurement Focus and Basis of Accounting.**

The Government-wide and Fiduciary 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.

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

The County reports the following major Governmental Funds:

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

Additionally, the County reports the following fund types:

**GOVERNMENTAL FUND TYPES**

- Special Revenue Funds – These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- Debt Service Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.
- Capital Projects Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**FIDUCIARY FUND TYPES**

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

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- Custodial Funds - Custodial Funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

**E. Account Classifications.**

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

**F. Deposits and Investments.**

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

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

**G. Receivables.**

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

**H. Inter-fund Transactions and Balances.**

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

**I. Restricted Assets.**

Assets required to be held and used as specified in bond indentures, bond resolutions, trustee agreements, and board resolutions have been reported as restricted assets. Certain proceeds of the County's limited obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "debt service reserve" account is used to report resources set aside to subsidize potential deficiencies from the County's operation that could adversely affect debt service payments. When both restricted and nonrestricted assets are available for use, the policy is to use the restricted assets first.



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**J. Capital Assets.**

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

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

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

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

**K. Deferred Outflows/Inflows of Resources.**

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

Deferred amount on refunding – For current refunding and advance refunding 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 13 for additional details.

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

Deferred revenues - property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are 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 13 for additional details.

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

**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. Long-term liabilities.**

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as non-spendable, restricted, committed, assigned, or unassigned.

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

- *Restricted fund balance* – Includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- *Non-spendable 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.
- *Unassigned fund balance* – The residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund. The General

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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.

**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 on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicle and mobile homes become a lien and are due in the month that coincides with the month of the original purchase.

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

**P. Intergovernmental Revenues in Governmental Funds**

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

**Q. Compensated Absences.**

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements. In fund financial statements, Government Funds report the

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compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

**R. 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.

**Note 2 – PRIOR PERIOD ADJUSTMENTS.**

A summary of the significant net position/fund balance adjustments are as follows:

**Exhibit 2 - Statement of Activities: Governmental Activities.**

<b>Tunica County</b>	
<b>Explanation</b>	<b>Amount</b>
Fund reclassification	\$ 42,746
To correct prior year accruals	(171,802)
Total prior period adjustment	<u>\$ (129,056)</u>
<b>Component Unit - Tunica County Utility District</b>	
<b>Explanation</b>	<b>Amount</b>
To correct long-term debt	\$ 8,596
Total prior period adjustments	<u>\$ 8,596</u>
<b>Component Unit - Tunica County Healthcare Authority</b>	
<b>Explanation</b>	<b>Amount</b>
To record adjustments for pension liability	\$ (2,338,847)
Total prior period adjustments	<u>\$ (2,338,847)</u>

**Exhibit 4 - Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds.**

<b>Tunica County</b>	
<b>Explanation</b>	<b>Amount</b>
Fund reclassification to General Fund	\$ 42,746
To correct revenue accrual for General Fund	(228,318)
Total prior period adjustments	<u>\$ (185,572)</u>

**TUNICA COUNTY**  
**Notes to the Financial Statements**  
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**NOTE 3 – DEPOSITS and INVESTMENTS.**

Deposits – The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$12,866,439 and the bank balance was \$14,708,220. The collateral for public entities' deposits in financial institutions is held in the name of the Mississippi State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk Deposits – Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the Mississippi State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

Investments:

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

Investments balances at September 30, 2021, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Morgan Stanley Institutional Liquidity Funds Government Portfolio	Less than 1 year	Level 1	\$ 1,683,011
Total			\$ <u>1,683,011</u>

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

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

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

**TUNICA COUNTY**  
**Notes to the Financial Statements**  
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**NOTE 4- INTER-FUND TRANSACTIONS AND BALANCES.**

The following is a summary of inter-fund balances at September 30, 2021:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	General Obligation Bond Fund	\$ 2,155,719
Road Maintenance Fund	General Fund	9,145
General Obligation Bond Fund	General Fund	22,873
Other Governmental Funds	General Fund	352
Custodial Funds	General Fund	3,071
Total		<u>\$ 2,191,160</u>

The receivables due to the General Fund represent loans to cover deficit cash balances. The remaining amounts due from General Fund to Road Maintenance, General Obligation Bond Fund, Other Governmental Funds and Custodial Funds consists of tax revenues collected in September 2021, but not settled until October 2021. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Road Maintenance Fund	\$ 42,746
Total		<u>\$ 42,746</u>

The amount due to the General Fund is for insurance that has not been repaid.

C. Transfers in/out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	General Obligation Fund	\$ 1,040,012
General Fund	Road Maintenance Fund	43,914
General Fund	Other Governmental Funds	2,010,821
General Obligation Fund	General Fund	2,206,724
Other Governmental Funds	General Fund	931,054
Total		<u>\$ 6,232,525</u>

The transfer from and to the General Obligation Fund to the General Fund was to provide cash and pay bonded debt. The transfer to the General Fund from Road Maintenance was to correct revenue coding errors. The transfer to General Fund was to correct revenue coding errors (\$24,819) and transfer beginning investment balance (\$1,986,002). The transfer from General fund to Other Governmental Funds was to eliminate negative cash (\$931,054.).

**NOTE 5 - INTERGOVERNMENTAL RECEIVABLES.**

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

Governmental Activities:

<u>Description</u>	<u>Amount</u>
Gaming Revenue	\$ 1,850,001
Legislative tax credit	55,176
Total	<u>\$ 1,905,177</u>

**TUNICA COUNTY**  
**Notes to the Financial Statements**  
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**NOTE 6 – LOANS RECEIVABLE.**

Loans receivable balances at September 30, 2021, are as follows:

<u>Description</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Receivable Balance</u>
Tunica County Utility District	Various	0%	Unknown	\$ 2,727,039

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

**NOTE 7 – RESTRICTED ASSETS**

The balance of the restricted asset accounts in the governmental activities is as follows:

Investments - Debt service reserve	\$ 1,683,011
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**NOTE 8 - CAPITAL ASSETS.**

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

<u>Tunica County - Governmental Activities:</u>	<u>Balance Oct. 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance Sept. 30, 2021</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 7,358,508				7,358,508
Construction in progress	71,997				71,997
Total non-depreciable capital assets	7,430,505	-	-	-	7,430,505
<u>Depreciable capital assets:</u>					
Infrastructure	133,884,991				133,884,991
Buildings	93,569,524				93,569,524
Improvements other than buildings	22,074,608				22,074,608
Mobile equipment	13,160,280	785,917	561,482		13,384,715
Furniture and equipment	5,558,805	194,245	9,319	(112,410)	5,631,321
Leased property under capital lease	-	355,000		112,410	467,410
Total depreciable capital assets	268,248,208	1,335,162	570,801	-	269,012,569
<u>Less accumulated depreciation for:</u>					
Infrastructure	83,657,649	1,185,286			84,842,935
Buildings	33,978,475	1,935,246			35,913,721
Improvements other than buildings	14,119,044	784,695			14,903,739
Mobile equipment	10,472,631	647,650	464,390		10,655,891
Furniture and equipment	4,898,004	177,876	7,778		5,068,102
Leased property under capital lease	-	179,403			179,403
Total accumulated depreciation	147,125,803	4,910,156	472,168	-	151,563,791
Total depreciable capital assets, net	121,122,405	(3,574,994)	98,633	-	117,448,778
Total capital assets, net	\$ 128,552,910	(3,574,994)	98,633	-	124,879,283



**TUNICA COUNTY**  
**Notes to the Financial Statements**  
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Depreciation expense was charged to the following functions:

<b>Governmental Activities:</b>	<u>Amount</u>
General government	\$ 2,074,058
Public safety	228,382
Public works	1,946,539
Health and welfare	1,980
Culture and recreation	659,162
Conservation of natural resources	13
Economic development and assistance	22
Total	<u>\$ 4,910,156</u>

Commitments with respect to unfinished capital projects at September 30, 2021, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
State Aid Project BR NBIS 72	Unknown	Unknown

**CAPITAL ASSETS – COMPONENT UNITS**

<u>Tunica County Utility District</u>	<u>Balance Oct. 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance Sept. 30, 2021</u>
Non-depreciable capital assets:					
Land	\$ 526,673				526,673
Construction in progress	-				-
Total non-depreciable capital assets	<u>526,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,673</u>
Depreciable capital assets:					
Infrastructure	\$ 70,387,812				70,387,812
Buildings	125,372	154,535			279,907
Mobile equipment	2,114,482	87,602	103,167		2,098,917
Furniture and equipment	51,830				51,830
Total depreciable capital assets	<u>72,679,496</u>	<u>242,137</u>	<u>103,167</u>	<u>-</u>	<u>72,818,466</u>
Less accumulated depreciation for:					
Infrastructure	\$ 57,702,604	2,454,556			60,157,160
Buildings	73,663	7,613			81,276
Mobile equipment	2,008,435	37,646	103,167		1,942,914
Furniture and equipment	51,830				51,830
Total accumulated depreciation	<u>59,836,532</u>	<u>2,499,815</u>	<u>103,167</u>	<u>-</u>	<u>62,233,180</u>
Total depreciable capital assets, net	<u>12,842,964</u>	<u>(2,257,678)</u>	<u>-</u>	<u>-</u>	<u>10,585,286</u>
Total capital assets, net	<u>\$ 13,369,637</u>	<u>(2,257,678)</u>	<u>-</u>	<u>-</u>	<u>11,111,959</u>

**TUNICA COUNTY**  
**Notes to the Financial Statements**  
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**CAPITAL ASSETS – COMPONENT UNITS (continued)**

<b>Tunica County Airport Commission</b>	<b>Balance</b>				<b>Balance</b>
	<b>Oct. 1, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Sept. 30, 2021</b>
<b>Non-depreciable capital assets:</b>					
Land	\$ 3,142,788				3,142,788
Construction in progress	599,189	150,562		(699,347)	50,404
Total non-depreciable capital assets	3,741,977	150,562	-	(699,347)	3,193,192
<b>Depreciable capital assets:</b>					
Infrastructure	44,132,611			699,347	44,831,958
Buildings	13,195,342	18,557			13,213,899
Mobile equipment	803,735				803,735
Furniture and equipment	1,760,530	6,379			1,766,909
Total depreciable capital assets	59,892,218	24,936	-	699,347	60,616,501
<b>Less accumulated depreciation for:</b>					
Infrastructure	27,126,959	1,661,008			28,787,967
Buildings	4,257,978	369,955			4,627,933
Mobile equipment	743,862	23,734			767,596
Furniture and equipment	1,702,384	3,320			1,705,704
Total accumulated depreciation	33,831,183	2,058,017	-	-	35,889,200
Total depreciable capital assets, net	26,061,035	(2,033,081)	-	699,347	24,727,301
Total capital assets, net	\$ 29,803,012	(1,882,519)	-	-	27,920,493
<b>Tunica County Public Projects, Inc.</b>					
<b>Depreciable capital assets:</b>					
Furniture and equipment	662,485	30,471			692,956
Leased Property (Capital Leases)	-	42,480			42,480
Total depreciable capital assets	662,485	72,951	-	-	735,436
<b>Less accumulated depreciation for:</b>					
Furniture and equipment	548,787	31,883			580,670
Leased Property (Capital Leases)	-	4,248			4,248
Total accumulated depreciation	548,787	36,131	-	-	584,918
Total depreciable capital assets, net	113,698	36,820	-	-	150,518
<b>Tunica County Tourism Commission</b>					
<b>Depreciable capital assets:</b>					
Buildings and improvements	839,378				839,378
Mobile equipment	77,009				77,009
Furniture and equipment	67,222				67,222
Total depreciable capital assets	983,609	-	-	-	983,609
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	386,649	25,407			412,056
Mobile equipment	51,393	9,315			60,708
Furniture and equipment	58,190	3,601			61,791
Total accumulated depreciation	496,232	38,323	-	-	534,555
Total depreciable capital assets, net	487,377	(38,323)	-	-	449,054

**NOTE 9 – 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.

**TUNICA COUNTY**  
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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.

**NOTE 10 – OPERATING LEASES.**

As Lessee:

**Tunica County Airport Commission**

The Commission leases farmland, office and hangar space. Rental revenue under these leases for the year ended September 30, 2021, was \$260,096. Future minimum payments are as follows:

Year Ending September 30:	Amount
2022	\$ 73,004
2023	9,996
2024	9,996
Total Minimum Payments Required	<u>\$ 92,996</u>

**NOTE 11 – CAPITAL LEASES.**

As Lessor:

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

The County leases the following property with varying terms and options as of September 30, 2021:

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

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The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2021, are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 303,985	141,968
2023	313,231	132,722
2024	322,759	123,194
2025	332,576	113,377
2026	342,691	103,262
2027-2031	1,876,293	353,472
2032-2035	1,379,293	70,054
Total	<u>\$ 4,870,828</u>	<u>1,038,049</u>

As Lessee:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 355,000
Furniture and equipment	112,410
Total	467,410
Less: Accumulated depreciation	179,403
Leased Property Under Capital Leases	<u>\$ 288,007</u>

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

<u>Year Ending September 30:</u>	<u>Amount</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 97,741	10,692
2023	69,064	6,635
2024	71,219	4,480
2025	68,991	2,281
2026	37,577	388
Total Minimum Payments Required	<u>\$ 344,592</u>	<u>24,476</u>

**TUNICA COUNTY**  
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**NOTE 12 – SHORT-TERM DEBT.**

The following is a summary of short-term debt activity for the year ended September 30, 2021:

<b>Tunica County</b>	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021
Promissory Note Urban Renewal Plan Property	\$ 12,000,000				12,000,000
Total	<u>\$ 12,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000,000</u>

During the month of May 2018, the County issued a promissory note of \$12,000,000 to TJM, LLC with an interest rate of 0.00% and maturity date that was contingent on the County entering into a “Development Sales Agreement” with Tunica Hospitality & Entertainment, LLC. The original closing date was August 30, 2018. Negotiations continued for the duration of the 2021 fiscal year, but the County is confident that an agreement will be reached in the 2022 fiscal year. The County still considers the note as short-term debt.

<b>Tunica County Airport Commission</b>	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021
Insurance Premium Financing Loan Installment Loan	\$ -	33,838			33,838
Total	<u>\$ -</u>	<u>33,838</u>	<u>-</u>	<u>-</u>	<u>33,838</u>

The Commission entered into an insurance financing loan payable in monthly installments of \$4,929, including interest at 6.50%, maturing April 2022.

**NOTE 13 – DEFINED BENEFIT PENSION PLAN.**

*General Information about the Pension Plan*

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity’s participation in PERS by the PERS’ Board of Trustees. If approved, membership for the entity’s employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age sixty or those who retire regardless of age with at least thirty years of creditable service (twenty-five years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement

**TUNICA COUNTY**  
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allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including thirty years (twenty-five years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below thirty years or the number of years in age that the member is below sixty-five, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age sixty (fifty-five for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2021, PERS members were required to contribute 9 percent of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021, was 17.40 percent of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020, and 2019 were \$1,390,698, \$1,742,046, and \$1,793,408, 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 \$18,131,155 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 0.1227 percent, which was based on a measurement date of June 30, 2021. This was a decrease of 0.0375 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 gain/benefit of \$(1,476,502). At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 328,120	
Net difference between projected and actual earnings on pension plan investments		5,130,774
Changes of assumptions	1,417,923	
Changes in the proportion and differences between contributions and proportionate share of contributions		6,334,464
Contributions subsequent to the measurement date	329,724	
Total	\$ 2,075,767	11,465,238

**TUNICA COUNTY**  
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The \$329,724 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:

<u>Year ending September 30:</u>	<u>Amount</u>
2022	\$ (2,958,254)
2023	(2,724,951)
2024	(2,408,839)
2025	(1,627,151)
Total	\$ <u>(9,719,195)</u>

Actuarial Assumptions. The total pension liability as of June 30, 2021 was determined by an actuarial valuation prepared as of June 30, 2020, by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2020 valuation based on the experience investigation for the four-year period ending June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021. The following actuarial assumptions are 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 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 and 100% for ages above 76. 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 for disability retirees were based on the PubG.H2010 Disabled Table adjusted 134% for males and 121% 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 from 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense, and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 Equivalents	1.00	(1.00)
	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 percent) and that employer contributions will be made at the current employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55 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:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Proportionate share of the net pension liability	\$ 25,677,976	18,131,155	11,911,987

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

**DEFINED BENEFIT PENSION PLAN – COMPONENT UNITS**

**Tunica County Airport Commission**

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

Contributions. The Airport Commission's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020, and 2019 were \$40,230, \$44,911, and \$54,194, respectively, equal to the required contributions for each year.



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

At September 30, 2021, the Airport Commission reported a liability of \$458,932 for its proportionate share of the net pension liability. At June 30, 2021, the Airport Commission's proportion was 0.003105 percent, which was a decrease of 0.0014 percent from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the Airport Commission recognized a pension benefit of (\$110,137). At September 30, 2021, the Airport Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,725	
Net difference between projected and actual earnings on pension plan investments		126,334
Changes of assumptions	36,242	
Changes in the proportion and differences between contributions and proportionate share of contributions		258,875
Contributions subsequent to the measurement date	11,508	
Total	\$ 56,475	385,209

The \$11,508 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 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:

<u>Year ending September 30:</u>	<u>Amount</u>
2022	\$ (122,786)
2023	(98,308)
2024	(77,960)
2025	(41,188)
Total	\$ (340,242)

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

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Proportionate share of the net pension liability	\$ 649,956	458,932	301,514

**Tunica County Tourism Commission**

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

**TUNICA COUNTY**  
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Contributions. The Tourism Commission's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020, and 2019 were \$97,275, \$101,065, and \$91,063, 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 Tourism Commission reported a liability of \$1,285,898 for its proportionate share of the net pension liability. At June 30, 2021, the Tourism Commission's proportion was 0.0087 percent, which is an increase of 0.0001 percent from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the Tourism Commission recognized a pension benefit of \$(8,706). At September 30, 2021, the Tourism Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,460	
Net difference between projected and actual earnings on pension plan investments		389,075
Changes of assumptions	98,950	
Changes in the proportion and differences between contributions and proportionate share of contributions		42,430
Contributions subsequent to the measurement date	22,406	
Total	<u>\$ 141,816</u>	<u>431,505</u>

The \$22,406 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 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:

<u>Year ending September 30:</u>	<u>Amount</u>
2022	\$ (95,296)
2023	(44,614)
2024	(56,782)
2025	(115,403)
Total	<u>\$ (312,095)</u>

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

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Proportionate share of the net pension liability	\$ 1,821,133	1,285,898	844,822

**TUNICA COUNTY**  
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**Tunica County Healthcare Authority**

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

Contributions. The Authority's contributions (employer share only) to PERS for the year ending September 30, 2021, were \$169,975, 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 Authority reported a liability of \$1,606,042 for its proportionate share of the net pension liability. At June 30, 2021, the Authority's proportion was 0.0109.

For the year ended September 30, 2021, the Authority recognized pension expense of \$72,652. At September 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,620	
Net difference between projected and actual earnings on pension plan investments		576,526
Changes of assumptions	118,503	
Changes in the proportion and differences between contributions and proportionate share of contributions		1,033
Contributions subsequent to the measurement date	44,269	
Total	\$ 177,392	577,559

The \$44,269 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 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:

<u>Year ending September 30:</u>	<u>Amount</u>
2022	\$ (98,267)
2023	(98,267)
2024	(103,771)
2025	(144,131)
Total	\$ (444,436)

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

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Proportionate share of the net pension liability	\$ 2,274,532	1,606,042	1,055,153

**TUNICA COUNTY**  
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**NOTE 14 - LONG TERM DEBT.**

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

**Tunica County**

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>A. General Obligation Bonds:</b>			
Airport Improvement Bond, Series 2005	\$ 690,000	3.60-5.125%	05/2025
Special Obligation Bonds, Series 2010A	2,080,000	2.60-6.25%	06/2030
Special Obligation Bonds, Series 2010B	875,000	3.00-4.50%	06/2030
Special Obligation Bonds, Series 2010	2,615,000	3.00-4.00%	12/2023
General Obligation Refunding Bonds, Series 2012	1,050,000	1.125-2.00%	09/2023
General Obligation Refunding Bonds, Series 2013	1,865,000	2.00-3.00%	07/2026
Total General Obligation Bonds	<u>\$ 9,175,000</u>		
<b>B. Limited Obligation Bonds:</b>			
Urban Renewal Revenue Bonds	14,385,000	6.00%	10/2040
Total General Obligation Bonds	<u>\$ 14,385,000</u>		
<b>C. Other Loans:</b>			
Capital Projects Promissory Note	\$ 635,442	Variable	05/2030
MS Green Tech Loan	1,187,906	3.44%	01/2032
CAP Loan - \$1.26M - Feuer Project	1,260,000	3.00%	06/2034
CAP Loan - \$5M - Feuer Project	4,845,841	3.00%	06/2034
Shortfall Note	2,724,906	4.50%	06/2023
Total Other Loans	<u>\$ 10,654,095</u>		
<b>D. Capital Lease:</b>			
Recreation Equipment Lease	\$ 30,767	6.06%	07/2022
Tri-Max S2 400 Mower	36,052	2.98%	04/2025
2021 Club Cars Tempo Electric	277,773	3.09%	04/2026
	<u>\$ 344,592</u>		

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

Year Ending September 30:	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 2,130,000	354,279		863,100
2023	2,215,000	280,524	390,000	863,100
2024	1,745,000	202,398	415,000	839,700
2025	880,000	150,648	435,000	814,800
2026	720,000	114,523	465,000	788,700
2027-2031	1,485,000	218,285	2,765,000	3,491,700
2032-2036			3,705,000	2,556,300
2037-2041			6,210,000	1,302,900
Total \$	<u>9,175,000</u>	<u>1,320,657</u>	<u>14,385,000</u>	<u>11,520,300</u>

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

Year Ending September 30:	Other Loans		Capital Lease	
	Principal	Interest	Principal	Interest
2022 \$	2,046,851	445,790	97,741	10,692
2023	1,948,875	279,703	69,064	6,635
2024	564,985	199,993	71,219	4,480
2025	580,412	182,402	68,991	2,281
2026	596,321	164,259	37,577	388
2027-2031	3,152,627	530,164		
2032-2036	1,764,024	86,467		
Total \$	<u>10,654,095</u>	<u>1,888,778</u>	<u>344,592</u>	<u>24,476</u>

**Legal Debt Margin** – The amount of debt, excluding specific exempted debt that can be incurred by the County, is limited by state statute. Total outstanding debt during a year can be no greater than 15 percent of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20 percent whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 11.19 percent of the latest property assessments.

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

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021	Amount due within one year
Compensated absences	\$ 441,013		32,435		408,578	
General obligation bonds	11,975,000		2,800,000		9,175,000	2,130,000
Less:						
Discounts	(49,491)		(9,912)		(39,579)	
Add:						
Premiums	267,871		56,448		211,423	
Limited obligation bonds	14,385,000				14,385,000	
Less:						
Discounts	(268,403)		(19,297)		(249,106)	
Other loans	12,395,580		1,741,485		10,654,095	2,046,851
Capital lease	59,685	355,000	70,093		344,592	97,741
Total	<u>\$ 39,206,255</u>	<u>355,000</u>	<u>4,671,252</u>	<u>-</u>	<u>34,890,003</u>	<u>4,274,592</u>

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

**TUNICA COUNTY**  
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**LONG TERM DEBT-COMPONENT UNITS**

**Tunica County Utility District**

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
Utility System Refunding	\$ 1,275,000	Variable	2/1/24
Total General Obligation Bonds	<u>\$ 1,275,000</u>		
B. Other Loans:			
MDEQ SRF Loan (01-3)	\$ 520,602	1.75%	5/18/25
MDEQ SRF Loan (02-2)	89,795	1.75%	5/10/34
USDA Loan	641,259	1.875%	9/3/51
BOH Loan	348,868	1.95%	10/1/36
BOH Loan #2	432,822	1.95%	2/1/37
Building Loan	135,215	5.65%	9/1/24
Truck Note #2	64,058	3.65%	7/24/24
Total Other Loans	<u>\$ 2,232,619</u>		

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

Year Ending September 30:	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2022	\$ 405,000	47,757	229,851	43,594
2023	430,000	29,475	235,021	38,424
2024	440,000	9,900	236,236	33,123
2025			175,768	28,690
2026			76,395	26,508
2027-2031			409,543	107,641
2032-2036			434,454	62,059
2037-2041			183,748	43,668
2042-2046			122,448	18,332
2047-2051			129,155	6,307
Total	<u>\$ 1,275,000</u>	<u>87,132</u>	<u>2,232,619</u>	<u>408,346</u>

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

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021	Amount due within one year
General obligation bonds	1,680,000		405,000		1,275,000	405,000
Other loans	2,232,917	224,517	216,219	(8,596)	2,232,619	229,851
Total	<u>\$ 3,912,917</u>	<u>224,517</u>	<u>621,219</u>	<u>(8,596)</u>	<u>3,507,619</u>	<u>634,851</u>

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

**Tunica County Airport Commission**

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
B. Other Loans:			
MDA Airport Revitalization Loan	\$ 319,172	3.00%	08/30
Total Other Loans	<u>\$ 319,172</u>		

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

Year Ending September 30:	Other Loans	
	Principal	Interest
2022 \$	31,417	9,575
2023	32,360	8,633
2024	33,331	7,662
2025	34,331	6,662
2026	35,361	5,632
2027-2030	<u>152,372</u>	<u>11,597</u>
Total \$	<u>319,172</u>	<u>49,761</u>

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

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021	Amount due within one year
MDA Airport Revitalization Loan	236,820	112,854	30,502		319,172	31,417
Total	<u>\$ 236,820</u>	<u>112,854</u>	<u>30,502</u>	<u>-</u>	<u>319,172</u>	<u>31,417</u>

**Tunica County Public Projects, Inc.**

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
B. Other Loans:			
Equipment loan	\$ 61,351	5.00%	07/2023
Total Other Loans	<u>\$ 61,351</u>		
D. Capital Lease:			
Equipment	\$ 38,940	0.00%	06/2025
	<u>\$ 38,940</u>		

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

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

Year Ending September 30:	Other Loans		Capital Lease	
	Principal	Interest	Principal	Interest
2022 \$	32,768	2,322	\$ 10,620	
2023	28,583	658	10,620	
2024			10,620	
2025			7,080	
Total \$	<u>61,351</u>	<u>2,980</u>	<u>\$ 38,940</u>	<u>-</u>

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

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021	Amount due within one year
Other loans	92,524		31,173		61,351	32,768
Capital lease		42,480	3,540		38,940	10,620
Total	<u>\$ 92,524</u>	<u>42,480</u>	<u>34,713</u>	<u>-</u>	<u>100,291</u>	<u>43,388</u>

**NOTE 15- CONTINGENCIES.**

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

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

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

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

Description	Balance September 30, 2021
Tax increment financing bonds	\$ 850,000



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

**NOTE 17 – JOINT VENTURE.**

The County is a participant along with DeSoto, Lafayette, Panola, and Tate counties in a joint venture, authorized by section 39-3-9, Miss. Code Ann. (1972), to operate the First Regional Library. The joint venture was created to provide free library service to the citizens of the respective counties. First Regional Library is governed by a five-member board appointed by the Board of Supervisors of the participating counties, one from each county. Each county appropriates annually as determined by each Board of Supervisors for the ongoing support of the First Regional Library. Tunica County, Mississippi's appropriations to the joint venture for the year ended September 30, 2021, were \$265,804. Complete financial statements for the First Regional Library can be obtained from the library's website, [FirstRegional.org](http://FirstRegional.org).

**NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Tunica County Board of Supervisors appoints two of the thirty members of the Board of Directors. The County appropriated \$15,000 for the support of the district in fiscal year 2021.

Yazoo-Mississippi Water Management District operates in a district composed of the counties of Coahoma, Desoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Tunica County Board of Supervisors appoints one of the twenty-one members of the Board of Commissioners. The County levied \$129,107 in taxes for maintenance and support in fiscal year 2021.

Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica, and Yalobusha. The Tunica County Board of Supervisors appoints two of the twenty-three members of the College Board of Trustees. The County levied \$181,924 in taxes for maintenance and support and \$61,277 in taxes for college enlargement in fiscal year 2021.

Coahoma Community College operates in a district composed of the counties of Bolivar, Coahoma, Quitman, Tallahatchie, and Tunica. The Tunica County Board of Supervisors appoints one of the twelve members of the College Board of Trustees. The County levied \$181,924 in taxes for the maintenance and support and \$61,277 in taxes for college enlargement in fiscal year 2021.

The Region One Mental Health Center operates in a district composed of the counties of Coahoma, Quitman, Tallahatchie, and Tunica. The Tunica County Board of Supervisors appoints one of the four members of the Board of Commissioners. The County appropriated \$50,000 for support of the Center in fiscal year 2021.

**NOTE 19 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities deficit unrestricted net position amount of (\$13,855,946) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$329,724 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 remaining \$1,746,043 balance of deferred outflow of resources related to

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

pensions at September 30, 2021, will be recognized in pension expense over the next three years. The \$11,465,238 balance of deferred inflow of resources related to pension at September 30, 2021, will be recognized in pension expense over the next four years.

The governmental activities net investment in capital assets net position amount of \$90,599,595 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. \$201,737 of the 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 three years.

The governmental activities' unrestricted net position amount of \$(13,855,946) includes the effect of recognition of deferring the recognition of revenue resulting from capital leases receivable. The \$1,038,049 balance of deferred inflows of resources at September 30, 2021, will be recognized as revenue and will increase the unrestricted net position over the next 13 years.

**NOTE 20 – TAX ABATEMENTS.**

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

The Tunica County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with two entities as of September 30, 2021.

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

27-31-101, Miss. Code Ann. (1972) – All allowable property tax levies

Category	Fiscal Year 2021	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacment	100.00%	\$ 711,388

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

**NOTE 21 – SUBSEQUENT EVENTS.**

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes.

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

Management of Tunica County evaluated the activity of the County through July 15, 2022, (the date the financial statements were available to be issued), and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements:

Subsequent to September 30, 2021, Tunica County has acquired the following debt:

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

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

## **TUNICA COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 5,711,426	5,708,547	5,708,547	-
Licenses, commissions and other revenue	489,400	905,514	905,514	-
Fines and forfeitures	150,000	223,145	223,145	-
Intergovernmental revenues	12,262,600	18,603,554	18,603,554	-
Charges for services	105,000	1,064,756	1,064,756	-
Interest income	30,000	88,649	88,649	-
Miscellaneous revenues	663,000	2,104,705	2,104,705	-
Total Revenues	19,411,426	28,698,870	28,698,870	-
<b>EXPENDITURES</b>				
General government	6,479,656	7,691,829	7,691,829	-
Public safety	8,007,346	6,990,546	6,990,546	-
Public works	595,050	707,818	707,818	-
Health and welfare	494,026	2,040,644	2,040,644	-
Culture and recreation	2,192,703	1,816,688	1,816,688	-
Conservation of natural resources	204,350	133,485	133,485	-
Economic development and assistance	615,000	39,348	39,348	-
Debt service:				
Principal	700,000	750,221	750,221	-
Interest	211,869	988,364	988,364	-
Total Expenditures	19,500,000	21,158,943	21,158,943	-
Excess of Revenues over (under) Expenditures	(88,574)	7,539,927	7,539,927	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Other sources	272,995	367,705	367,705	-
Transfers in	-	627,688	627,688	-
Transfers (out)	(184,421)	(754,600)	(754,600)	-
Total Other Financing Sources and Uses	88,574	240,793	240,793	-
Net Change in Fund Balance	-	7,780,720	7,780,720	-
Fund Balance - Beginning	(2,326,100)	2,272,294	2,272,294	-
Fund Balance - Ending	\$ (2,326,100)	10,053,014	10,053,014	-

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

**TUNICA COUNTY**  
**Budgetary Comparison Schedule-**  
**Budget and Actual (Non-GAAP Basis)**  
**Road Maintenance Fund**  
**For the Year Ended September 30, 2021**  
**"UNAUDITED"**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Road and bridge privilege taxes	\$ 115,000	123,031	123,031	-
Intergovernmental revenues	3,385,000	2,854,761	2,854,761	-
Interest		24,556	24,556	-
Miscellaneous revenues		139	139	-
Total Revenues	3,500,000	3,002,487	3,002,487	-
EXPENDITURES				
Public works	3,500,000	3,329,794	3,329,794	-
Total Expenditures	3,500,000	3,329,794	3,329,794	-
Excess of Revenues over (under) Expenditures	-	(327,307)	(327,307)	-
OTHER FINANCING SOURCES (USES)				
Sources		137,312	137,312	-
Transfers (out)		-	-	-
Total Other Financing Sources (Uses)	-	137,312	137,312	-
Net Change in Fund Balance	-	(189,995)	(189,995)	-
Fund Balance - Beginning	(2,065,224)	6,971,632	6,971,632	-
Fund Balance - Ending	\$ (2,065,224)	6,781,637	6,781,637	-

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

**TUNICA COUNTY**  
**Schedule of the County's and Component Units' Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2021**  
**"UNAUDITED"**

**Tunica County**

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.1227%	0.1602%	0.1713%	0.1722%	0.1701%	0.1633%	0.1696%	0.1835%
County's proportionate share of the net pension liability (asset)	\$ 18,131,155	31,012,852	30,135,043	28,641,976	28,276,396	29,169,456	26,216,815	22,273,540
County's covered payroll	\$ 8,155,733	10,666,834	11,153,344	10,993,702	10,911,911	10,454,952	10,593,670	11,214,883
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.31%	290.74%	270.19%	260.53%	259.13%	279.00%	247.48%	198.61%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

**COMPONENT UNITS**

**Tunica County Airport Commission**

Commission's proportion of the net pension liability (asset)	0.003105%	0.004468%	0.005088%	0.005491%	0.005857%	0.005993%	0.008677%	0.009502%
Commission's proportionate share of the net pension liability (asset)	\$ 458,932	864,953	895,080	913,321	973,632	1,070,496	1,341,293	1,153,369
Commission's covered payroll	\$ 206,460	297,534	331,358	350,660	375,748	383,398	542,089	580,644
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.29%	290.71%	270.12%	260.46%	259.12%	279.21%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

**Tunica County Tourism Commission**

Commission's proportion of the net pension liability (asset)	0.0087%	0.0086%	0.0087%	0.0101%	0.0103%	0.0099%	0.0105%	
Commission's proportionate share of the net pension liability (asset)	\$ 1,285,898	1,664,859	1,530,502	1,679,930	1,712,210	1,768,387	1,623,093	
Commission's covered payroll	\$ 559,049	575,450	566,233	642,960	662,146	634,327	655,626	
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	230.02%	289.31%	270.30%	261.28%	258.58%	278.78%	247.56%	
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%	

**Tunica County Healthcare Authority**

Healthcare Authority's proportion of the net pension liability (asset)	0.0109%							
Healthcare Authority's proportionate share of the net pension liability (asset)	\$ 1,606,042							
Healthcare Authority's covered payroll	\$ 722,450							
Healthcare Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.30%							
Plan fiduciary net position as a percentage of the total pension liability	70.44%							

\* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

**TUNICA COUNTY**  
**Schedule of County and Component Unit Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2021**  
**“UNAUDITED”**

**Tunica County**

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,390,698	1,742,046	1,793,408	1,767,306	1,682,081	1,650,222	1,658,337
Contributions in relation to the contractually required contribution	<u>1,390,698</u>	<u>1,742,046</u>	<u>1,793,408</u>	<u>1,767,306</u>	<u>1,682,081</u>	<u>1,650,222</u>	<u>1,658,337</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 7,992,507	10,011,869	11,102,644	11,220,989	10,679,878	10,477,603	10,529,115
Contributions as a percentage of covered payroll	17.40%	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

**COMPONENT UNITS**

**Tunica County Airport Commission**

Contractually required contribution	\$ 40,230	44,911	54,194	53,619	58,848	59,801	76,852
Contributions in relation to the contractually required contribution	<u>40,230</u>	<u>44,911</u>	<u>54,194</u>	<u>53,619</u>	<u>58,848</u>	<u>59,801</u>	<u>76,852</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commission's covered payroll	\$ 231,204	258,109	335,620	340,438	373,638	379,689	487,949
Contributions as a percentage of covered payroll	17.40%	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

**Tunica County Tourism Commission**

Contractually required contribution	\$ 97,275	101,065	91,063	98,551	103,399	100,854	100,238
Contributions in relation to the contractually required contribution	<u>97,275</u>	<u>101,065</u>	<u>91,063</u>	<u>98,551</u>	<u>103,399</u>	<u>100,854</u>	<u>100,238</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commission's covered payroll	\$ 559,049	580,832	563,549	625,722	656,501	640,341	636,430
Contributions as a percentage of covered payroll	17.40%	17.40%	16.16%	15.75%	15.75%	15.75%	15.75%

**Tunica County Healthcare Authority**

Contractually required contribution	\$ 169,975
Contributions in relation to the contractually required contribution	<u>169,975</u>
Contribution deficiency (excess)	\$ <u>-</u>
Healthcare Authority's covered payroll	\$ 976,869
Contributions as a percentage of covered payroll	17.40%

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

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



**TUNICA COUNTY**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2021**  
**"UNAUDITED"**

**BUDGETARY COMPARISON SCHEDULES**

**A. Budgetary Information.**

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

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

**B. Basis of Presentation.**

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

**C. Budget/GAAP Reconciliation.**

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

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

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major Special Revenue Fund:

	Governmental Fund Types	
	General Fund	Road Maintenance Fund
Budget ( Cash Basis )	7,780,720	(189,995)
Increase (Decrease)		
Net adjustments for revenue accruals	1,711,230	253,178
Net adjustments for expenditure accruals	(1,979,574)	(46,100)
GAAP Basis	<u>7,512,376</u>	<u>17,083</u>

**TUNICA COUNTY**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2021**  
**"UNAUDITED"**

**PENSION SCHEDULES**

**A. Changes of Assumptions.**

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

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

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50 percent to 3.00 percent and 8.00 percent to 7.75 percent, respectively.

2016

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

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumption was reduced from 3.75 percent to 3.25 percent.

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

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

2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

**TUNICA COUNTY**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2021**  
**"UNAUDITED"**

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

**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.

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 0.25% 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%.

**TUNICA COUNTY**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2021**  
**"UNAUDITED"**

**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 calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 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, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

## **TUNICA COUNTY**

## **OTHER INFORMATION**

**TUNICA COUNTY**  
**Schedule of Surety Bonds for County Officials**  
**For the Year Ended September 30, 2021**  
**“Unaudited”**

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

## **TUNICA COUNTY**

### **SPECIAL REPORTS**

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

Members of the Board of Supervisors  
Tunica County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Tunica County, Mississippi (the County), as of and for the year ended September 30, 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 July 15, 2022. Other auditors audited the financial statements of the Tunica County Airport Commission, as described in our report on Tunica County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and on compliance and other matters that are reported separately by those auditors.

**Internal Control Over Financial Reporting**

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

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



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

### **Compliance and Other Matters**

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

We noted certain matters which we have reported to the management of Tunica County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and Limited Internal Control and Compliance Review Management Report dated July 15, 2022, included within this document.

### **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

July 15, 2022

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

Members of the Board of Supervisors  
Tunica County, Mississippi

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

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

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

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

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

July 15, 2022

**TUNICA COUNTY**  
**Schedule of Purchases Not Made from the Lowest Bidder**  
**For the Year Ended September 30, 2021**

Schedule 1

Our test did not identify any purchases from other than lowest bidder.

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
12/8/2020	Electrical Services	\$ 15,577	Tucker Electric	Third floor and parking lot of Battle Arena were without electricity with multiple events on schedule
2/2/2021	Water heater and and jail plumbing repairs	\$ 56,622	Upchurch Plumbing	Jail inmates require adequate plumbing - only local plumbing company could provide immediate services
3/8/2021	Tractor repairs	\$ 16,908	Wade	Extensive repairs were required after examination by dealership where purchased.
3/31/2021	Boiler pipe repairs	\$ 8,200	Upchurch Plumbing	Old pipes in jail required extensive repairs and replacement. Only local plumbing company could provide immediate services

**TUNICA COUNTY**Schedule 3**Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2021**

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
10/2/2020	Knuckleboom Repair	\$ 6,500	Hol-Mac
1/2/2021	Knuckleboom Repair	21,607	Hol-Mac

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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Tunica County, Mississippi

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

In addition, for areas not considered material to Tunica County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated July 15, 2022, on the financial statements of Tunica County, Mississippi.

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

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

## **Board of Supervisors**

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

**Repeat Finding** Yes

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

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

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

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

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

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

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

**Repeat Finding** Yes

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

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



<b>Cause</b>	The interlocal agreement has not been renewed between the Town of Tunica and Tunica County since 2015.
<b>Effect</b>	Failure to renew contractual agreements could result in the loss or misappropriation of public funds. Successor board members may not be bound to a contract of previous boards.
<b>Recommendation</b>	The Board of Supervisors should renew the inter-local agreement with the Town of Tunica at the beginning of each new term of office.
<b>Response</b>	The Board of Supervisors will review and renew the inter-local agreement with the Town of Tunica at the beginning of each new term of office.
<b>3.</b>	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<p>§25-1-15(2), Miss. Code Ann. (1972), requires public employees that are required to give individual bond to obtain a new bond at least every four years concurrent with the County's normal election cycle.</p> <p>§31-7-124, Miss. Code Ann. (1972), requires that the receiving clerk and inventory control clerk are bonded in a penalty not less than \$75,000, the purchase clerk is bonded at not less than \$100,000, and assistant purchasing, receiving and inventory control clerks shall be bonded in a penalty not less than \$50,000.</p>
<b>Condition</b>	<p>During the course of our testing we noted the following non-compliance:</p> <ul style="list-style-type: none"> <li>• Nine (9) employees were bonded with a bond issued for an indefinite time.</li> <li>• Ten (10) employees were bonded with an incorrect description of their position.</li> <li>• Two (2) employees are bonded as Deputy Tax Collector/Tax Assessor, two positions are held so two bonds are needed.</li> <li>• One (1) employee was not bonded for the entire fiscal year.</li> </ul>
<b>Cause</b>	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
<b>Effect</b>	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
<b>Recommendation</b>	We recommend the Board of Supervisors implement procedures or appoint an individual to oversee the bonding to ensure that County officials' and employees' bonds meet the requirements of State Laws.
<b>Response</b>	The Board of Supervisors will ensure the County officials and employees' bonds meet the requirement of State Laws.

## **Payroll Clerk**

<b>1.</b>	<b><u>Employee File Documentation.</u></b>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
<b>Condition</b>	During the course of our test work, we noted the following: <ul style="list-style-type: none"><li>• One (1) employee's I-9 form was not completed.</li><li>• Three (3) instances of incomplete withholding forms.</li></ul>
<b>Cause</b>	The employee files are not being reviewed regularly to identify any files without proper documentation.
<b>Effect</b>	County employees could be paid at the wrong rates without prior documentation of the correct rates.
<b>Recommendation</b>	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.
<b>Response</b>	The Board of Supervisors will strengthen its personnel internal controls to ensure all employee files are in compliance with all federal and state laws. The internal controls include reviewing each file with an audit checklist for each personnel file.
<b>2.</b>	<b><u>Re-Hired Retirees were not paid in compliance with the Form 4Bs filed with the Mississippi Employees Retirement System.</u></b>
<b>Repeat Finding</b>	No
<b>Criteria</b>	Section 25-11-127, Mississippi Code Annotated (1972) provides that as a PERS retiree, a PERS Form 4B "Certification/Acknowledgement of Reemployment of Retiree" must be filed within 5 days of employment. If an employee decides to return to employment with a covered employer after they retire, the employee and the employer must notify PERS in writing within five days of the reemployment date and provide the conditions under which he/she is being reemployed. Notification must be repeated each new fiscal year of postretirement employment.
<b>Condition</b>	During fiscal year 2021, there were six (6) total re-hired retirees. Of the six (6), two (2) retirees were paid in excess of the allowed salary as reported on the filed Form 4B.
<b>Cause</b>	The County did not comply with Section 25-11-127, Mississippi Code Annotated (1972).
<b>Effect</b>	The failure to comply with the reemployment conditions as reported on PERS Form 4B could jeopardize the provisions for reemployment.
<b>Recommendation</b>	The County should timely and accurately file PERS Form 4Bs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.

<b>Response</b>	The Board of Supervisors will ensure that the Payroll Clerk will monitor and ensure timely and accurately filing of PERS Forms 4Bs for all re-hired retirees and all statutory conditions for re-employment are met.
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#### **Planning Commission**

1.	<u>The Planning Commission has inadequate controls over collections.</u>
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<b>Repeat Finding</b>	No
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<b>Criteria</b>	A properly designed and implemented system of internal controls should require that all those employees performing collection duties for an entity or department use a cash drawer. Furthermore, the entity should seed the drawer with an appropriate amount of cash to make change.
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<b>Condition</b>	During the course of our testing, we noted that there is no established cash drawer and no money for use to make change when necessary for collections.
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<b>Cause</b>	The entity or department has not established adequate controls over the cash collection process.
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<b>Effect</b>	Inadequate controls surrounding revenue collections could result in loss or misappropriation of assets and improper revenue recognition.
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<b>Recommendation</b>	The Planning Commission should implement an effective system of internal controls over the revenue collection process including the establishment of cash drawers for use by the clerk.
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<b>Response</b>	The Board of Supervisors and Planning Commission has implemented an effective system of internal controls that includes a cash drawer for revenue collection and a process of daily reconciliation.
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#### **Chancery Clerk**

1.	<u>Public Officials Should Ensure Compliance with State Laws over Credit Card Records.</u>
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<b>Repeat Finding</b>	No
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<b>Criteria</b>	Section 19-3-68, Miss. Code Ann. (1972), states, "The Chancery Clerk or County Purchase Clerk shall maintain complete records of all credit card numbers and all receipts and other documents relating to the use of such credit cards. The Supervisors and county employees shall furnish receipts for the use of such credit cards each month to the Chancery Clerk or Purchase Clerk who shall submit a written report monthly to the Board of Supervisors. The report shall include an itemized list of all expenditures and use of the credit cards for the month, and such expenditures may be allowed for payment by the County in the same
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manner as other items on the claims docket. The issuance of a credit card to a Supervisor or county employee under the provisions of this section does not authorize the Supervisor or county employee to use the credit card to make any expenditure that is not otherwise authorized by law. Any Supervisor or county employee who uses the credit card to make an expenditure that is not approved for payment by the Board shall be personally liable for the expenditure and shall reimburse the County.”

<b>Condition</b>	During the course of our test work we noted multiple instances where no original, detailed receipts were submitted by the Board of Supervisors.
<b>Cause</b>	The Clerk is not being provided with all original, detailed receipts from credit card purchases made.
<b>Effect</b>	Failure to maintain original receipts could result in fraud or misappropriation of public funds.
<b>Recommendation</b>	The Clerk should ensure all original receipts are attached to each statement.
<b>Response</b>	The Board of Supervisors and Chancery Clerk will ensure compliance with State Laws over credit card records. Internal controls will be implemented to ensure purchase clerk receive all original credit card receipts and that all receipts are attached to each credit card statement.

#### **Inventory Clerk**

<b>1.</b>	<u>The Inventory Clerk has failed to maintain an accurate inventory of fixed assets.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	The County should maintain an accurate listing of fixed assets as well ensure that all assets are properly listed on or removed from the listing and properly tagged.
<b>Condition</b>	During our audit procedures, we found several fixed assets that were still listed on the County’s inventory but had previously been disposed. We also noted several assets without a proper tag.
<b>Cause</b>	The Inventory Clerk has failed to accurately monitor and maintain the fixed asset inventory listing.
<b>Effect</b>	Without a properly functioning inventory system, compliance cannot be maintained, and capital assets may not be accurately recorded and reported in the governmental activities.
<b>Recommendation</b>	The County should monitor its fixed assets listing to verify that all items are properly included and/or removed as well as ensuring that assets are properly tagged and described on the inventory listing.

**Response**

The Board of Supervisors and Chancery Clerk will ensure an accurate inventory of all fixed assets and that all fixed assets are monitored and properly tagged, included and removed accordingly.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

July 15, 2022

## **TUNICA COUNTY**

### **SCHEDULE OF FINDINGS AND RESPONSES**

**TUNICA 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 auditor's report issued on the financial statements:

Governmental Activities	Unmodified
Aggregate discretely presented component units	Unmodified
General Fund	Unmodified
Road Maintenance Fund	Unmodified
General Obligation Bond Fund	Unmodified
Aggregate remaining fund information	Unmodified
  
2. Internal control over financial reporting:
  - a. Material weakness identified? No
  - b. Significant deficiencies identified? None reported
  
3. Noncompliance material to the financial statements noted? No

Section 2: Financial Statement Findings

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