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**TATE COUNTY, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2022**

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# TATE COUNTY

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TATE COUNTY

FINANCIAL SECTION

# F.O. GIVENS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Tate County, Mississippi

### Report on the Financial Statements

#### *Qualified and Unmodified Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tate County, Mississippi as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

#### *Qualified Opinion on Governmental Activities, Business-type Activities and Solid Waste Fund*

In our opinion, except for the effects of the matter described in the basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Governmental Activities, Business-type Activities, and the Solid Waste Fund of Tate County, Mississippi, as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Unmodified Opinion on Each Major Fund, and Aggregate Remaining Fund Information*

In our opinion, the financial statements referred to above present fairly, all material respects, the respective financial position of each major fund other than the Solid Waste Fund, and the aggregate remaining fund information of Tate County, Mississippi, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Qualified Opinions and Unmodified Opinions*

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

#### *Matters Giving Rise to Qualified Opinion on Governmental Activities, Business-type Activities, and Solid Waste Fund*

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

### ***Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability and the Schedule of County Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic,

or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Omission of Required Supplementary Information*

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

*Other Information*

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of Tate County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tate County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tate County, Mississippi's internal control over financial reporting and compliance.

*F.O. Givens & Co.*

F.O. Givens & Co.  
Senatobia, MS  
December 27, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS



TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2022

## INTRODUCTION

The discussion and analysis of Tate County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2022. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance. Information contained in this section is qualified by more detailed information contained elsewhere in the County's financial statements, notes to the financial statements and accompanying materials. To the extent that this discussion contains any forward looking statements of the County's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

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

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

## FINANCIAL HIGHLIGHTS

Tate County's total property tax levy for the year ended September 30, 2022, was 136.81 mills, down from 145.76. Of this amount, the mills levied for the Tate County School District were 54.75, down from 61.39 in 2021.

Total net position increased \$11,468,231, an increase of 29.5% from the prior year. The County's ending cash balance went from \$33,768,657 to \$34,059,021.

The County had \$30,732,048 in total revenues, compared to \$25,045,866 in the previous year. Property taxes of \$13,146,003 comprised approximately 42.8% of total revenues.

Total operating expenses were \$19,263,817 compared to \$16,194,127 in the prior year.

Among major funds, the General Fund had \$12,553,888 in operating revenues and \$10,414,869 in operating expenditures with other financial uses of (\$434,188). The General Fund's fund balance increased by \$1,704,831.

Long-term debt for governmental activities decreased this year from \$21,609,325 to 21,136,708, a decrease of approximately 2%.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2022

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development, and interest on long term debt. The business-type activities of the County include solid waste management and garbage collection. The Government-wide Financial Statements can be found on pages 14 and 15 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented with governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the "Governmental Funds Balance Sheet" and the "Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances" provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 17 and 19, respectively.

The County maintains individual governmental funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds. The basic governmental funds financial statements can be found on pages 16 through 19 of this report.

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

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

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2022

aggregated presentation. The proprietary funds financial statements can be found on pages 20 through 22 of this report.

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 23 through 44 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information concerning the County's budget process. The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the general fund and each major special revenue fund. This required supplementary information can be found on pages 45 through 54 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position** - Net Position may serve over time as a useful indicator of government's financial position. In the case of Tate County, assets and deferred outflows exceeded liabilities and deferred inflows by \$50,293,776 as of September 30, 2022. Total Net Position increased by 29.5% from September 30, 2021.

The largest portion of the County's net position (74.5%) reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture and equipment and construction in progress) less related outstanding debt used to acquire such assets. The County uses these capital assets to provide services to its citizens.

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

The following table presents a summary of the County's net position for the fiscal years ended September 30, 2022 and 2021.

(See table on next page).

**TATE COUNTY**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2022**

	2022		2021	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Current Assets	\$ 47,136,606	1,139,563	\$ 46,591,295	969,340
Capital Assets, Net	57,516,529	1,069,644	43,918,352	516,760
Total Assets	<u>\$ 104,653,135</u>	<u>2,209,207</u>	<u>\$ 90,509,647</u>	<u>1,486,100</u>
Total Deferred Outflows of Resources	<u>\$ 2,292,700</u>	<u>109,217</u>	<u>\$ 1,891,309</u>	<u>77,738</u>
Current Liabilities	\$ 6,334,200	169,286	\$ 3,865,560	142,576
Long-term Debt Outstanding:				
Due Within One Year	1,266,831	209,514	1,302,311	435,334
Due In More Than One Year	19,869,877	610,900	20,307,014	25,058
Net Pension Liability	16,283,964	1,006,293	11,438,816	681,142
Total Liabilities	<u>\$ 43,754,872</u>	<u>1,995,993</u>	<u>\$ 36,913,701</u>	<u>1,284,110</u>
Total Deferred Inflows of Resources	<u>\$ 13,190,444</u>	<u>29,174</u>	<u>\$ 16,688,019</u>	<u>253,419</u>
Net Investment in Capital Assets	\$ 37,188,993	277,404	\$ 23,217,250	81,426
Restricted	20,160,326	-	20,522,387	-
Unrestricted	(7,348,800)	15,853	(4,940,401)	(55,117)
Total Net Position	<u>\$ 50,000,519</u>	<u>293,257</u>	<u>\$ 38,799,236</u>	<u>26,309</u>

**Changes in Net Position** - Tate County's total revenue for the fiscal year ended September 30, 2022 was \$28,953,769 for governmental activities and \$1,778,279 for business-type activities. The total cost for all services provided was \$17,752,486 for governmental activities and \$1,511,331 for business-type activities. The change in net position was \$11,201,283 for governmental activities and \$266,948 for business-type activities. The following table presents a summary of the changes in net position for the fiscal year ended September 30, 2022 and 2021:

(See table on next page.)

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2022

	<u>2022</u>	<u>2021</u>
Governmental Activities:		
Revenues:		
Program Revenues		
Charges for Services	\$ 2,072,083	\$ 2,011,117
Operating Grants & Contributions	11,234,928	6,377,913
Capital Grants & Contributions	-	-
General Revenues		
Property Taxes	13,146,003	12,982,268
Other	2,500,755	2,046,345
Total Revenue	<u>\$ 28,953,769</u>	<u>\$ 23,417,643</u>
Expenses:		
General Government	\$ 6,217,288	\$ 4,214,565
Public Safety	5,400,756	5,480,287
Public Works	3,476,192	2,859,984
Health and Welfare	254,379	224,768
Culture and Recreation	168,000	168,000
Other Expenses	238,451	224,653
Interest and other expense on long-term debt	493,021	354,880
Pension Expense	1,504,399	1,437,297
Total Expenses	<u>17,752,486</u>	<u>14,964,434</u>
Changes in Net Position	<u>\$ 11,201,283</u>	<u>8,453,209</u>
Business-Type Activities:		
Revenues:		
Program Revenues		
Charges for Services	\$ 1,438,760	\$ 1,455,387
Other	339,519	172,836
Total Revenues	<u>1,778,279</u>	<u>1,628,223</u>
Expenses:		
Solid Waste Disposal	1,383,114	1,120,278
Garbage Disposal	128,217	109,415
Total Expenses	<u>1,511,331</u>	<u>1,229,693</u>
Changes in Net Position	<u>\$ 266,948</u>	<u>\$ 398,530</u>

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2022

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

	2022		2021	
	Total Costs	Net Costs	Total Costs	Net Costs
General Government	\$ 6,217,288	(1,922,578)	\$ 4,214,565	\$ 2,738,430
Public Safety	\$ 5,400,756	4,470,341	\$ 5,480,287	\$ 4,848,869
Public Works	\$ 3,476,192	(744,410)	\$ 2,859,984	\$ (3,399,901)
Health and Welfare	\$ 254,379	238,251	\$ 224,768	\$ 203,176
Culture and Recreation	\$ 168,000	168,000	\$ 168,000	\$ 168,000
Conservation of Natural Resources	\$ 64,992	64,992	\$ 76,194	\$ 76,194
Economic Development	\$ 173,459	173,459	\$ 148,459	\$ 148,459
Interest and Other Expenses on Long-Term Debt	\$ 493,021	493,021	\$ 354,880	\$ 354,880
Pension Expense	\$ 1,504,399	1,504,399	\$ 1,437,297	\$ 1,437,297

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

**Governmental funds** - At the close of the fiscal year, Tate County's governmental funds reported a combined fund balance of \$27,451,114 a decrease from the previous year's balance of \$29,674,748.

The General Fund is the principal operating fund of the County. The increase in the fund balance of the General Fund for the fiscal year was \$1,704,831.

**Business-type funds** - The Enterprise Funds showed a profit for the year of \$266,948.

## BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** - As of September 30, 2022, Tate County's total capital assets were \$123,354,406. This includes roads, bridges, other infrastructure, land, buildings, mobile equipment, furniture and equipment. This amount represents an increase from the previous year of \$14,881,371.

Total accumulated depreciation as of September 30, 2022, was \$64,768,233, including \$1,353,722 of depreciation expense for the year. The balance in total net capital assets was \$58,586,173 at year-end.

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

TATE COUNTY  
Management's Discussion and Analysis  
For the Year Ended September 30, 2022

**Debt Administration** - At September 30, 2022, Tate County had \$21,957,122 of long-term debt outstanding. This includes general obligation bonds, loans, financed purchases, and accrued vacation pay. This total was down from \$22,069,717 the previous year.

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

Additional information on Tate County's long-term debt can be found in Note 9 on pages 38 through 41 of this report.

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

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

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

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

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

## FINANCIAL STATEMENTS



TATE COUNTY  
Statement of Net Position  
September 30, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 33,278,776	780,245	34,059,021
Property tax receivable	12,718,354	-	12,718,354
Accounts receivable, net of allowance for uncollectible accounts of \$700,086	(1,540)	494,536	492,996
Fines receivable, net of allowance for uncollectible accounts of \$1,131,670	770,396	-	770,396
Intergovernmental receivable	227,299	-	227,299
Internal balances	135,556	(135,556)	-
Prepaid items	7,765	338	8,103
Capital assets:			
Land and construction in progress	18,712,599	-	18,712,599
Other capital assets, net	38,803,930	1,069,644	39,873,574
Total Assets	104,653,135	2,209,207	106,862,342
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on bond refunding	525,333	-	525,333
Deferred outflows related to pensions	1,767,367	109,217	1,876,584
Total Deferred Outflows of Resources	2,292,700	109,217	2,401,917
<b>LIABILITIES</b>			
Claims payable	2,580,742	55,505	2,636,247
Intergovernmental payables	572,690	-	572,690
Accrued interest payable	145,223	-	145,223
Unearned revenue	2,750,511	113,781	2,864,292
Amounts held in custody for others	285,034	-	285,034
Long-term liabilities:			
Due within one year:			
Capital debt	1,266,831	209,514	1,476,345
Due in more than one year:			
Capital debt	19,586,038	582,726	20,168,764
Non-capital debt	283,839	28,174	312,013
Net pension liability	16,283,964	1,006,293	17,290,257
Total Liabilities	43,754,872	1,995,993	45,750,865
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	472,090	29,174	501,264
Property tax for future reporting periods	12,718,354	-	12,718,354
Total Deferred Inflows of Resources	13,190,444	29,174	13,219,618
<b>NET POSITION</b>			
Net investment in capital assets	37,188,993	277,404	37,466,397
Restricted for:			
Expendable:			
General government	14,613,332	-	14,613,332
Public works	3,941,986	-	3,941,986
Debt service	1,581,698	-	1,581,698
Unemployment compensation	23,310	-	23,310
Unrestricted	(7,348,800)	15,853	(7,332,947)
Total Net Position	\$ 50,000,519	293,257	50,293,776

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

TATE COUNTY  
Statement of Activities  
For the Year Ended September 30, 2022

Exhibit 2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
General government	6,217,288	1,565,116	6,574,750	1,922,578	-	1,922,578
Public safety	5,400,756	478,694	451,721	(4,470,341)	-	(4,470,341)
Public works	3,476,192	28,273	4,192,329	744,410	-	744,410
Health and welfare	254,379	-	16,128	(238,251)	-	(238,251)
Culture and recreation	168,000	-	-	(168,000)	-	(168,000)
Conservation of natural resources	64,992	-	-	(64,992)	-	(64,992)
Economic development and assistance	173,459	-	-	(173,459)	-	(173,459)
Interest and other expenses on long-term debt	493,021	-	-	(493,021)	-	(493,021)
Pension expense	1,504,399	-	-	(1,504,399)	-	(1,504,399)
Total governmental activities	17,752,486	2,072,083	11,234,928	(4,445,475)	-	(4,445,475)
Business-type activities:						
Solid waste disposal	1,383,114	1,438,760	-	-	55,646	55,646
Garbage disposal	128,217	-	-	-	(128,217)	(128,217)
Total business-type activities	1,511,331	1,438,760	-	-	(72,571)	(72,571)
Total primary government	\$ 19,263,817	3,510,843	11,234,928	(4,445,475)	(72,571)	(4,518,046)
General Revenues:						
Property taxes				\$ 13,146,003	-	13,146,003
Road and bridge privilege taxes				255,975	-	255,975
Grants and contributions not restricted to specific programs				627,773	-	627,773
Unrestricted interest income				297,525	-	297,525
Miscellaneous				1,034,283	202,983	1,237,266
Gain (Loss) on disposal of capital assets				285,199	136,536	421,735
Total General Revenues				15,646,758	339,519	15,986,277
Changes in Net Position				11,201,283	266,948	11,468,231
Net Position-Beginning				38,799,236	26,309	38,825,545
Net Position-Ending				\$ 50,000,519	293,257	50,293,776

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

TATE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2022

Exhibit 3

	Major Funds					Other	Total
	General	Road	2021 Bond	American	Local	Governmental	Governmental
	Fund	Fund	Fund	Recovery Plan	Improvements	Funds	Funds
<b>ASSETS</b>							
Cash	\$ 12,453,803	3,116,367	2,526,629	5,425,978	5,000,267	4,755,732	33,278,776
Property tax receivable	9,204,188	1,346,797	-	-	-	2,167,369	12,718,354
Other Receivables	(1,540)						(1,540)
Fines receivable, net allowance for uncollectibles of \$1,131,670	770,396	-	-	-	-	-	770,396
Intergovernmental receivables	227,299	-	-	-	-	-	227,299
Due from other funds	41,487	33,757	-	-	-	85,197	160,441
Advances to other funds	116,707	-	-	-	-	-	116,707
<b>Total Assets</b>	<b>\$ 22,812,340</b>	<b>4,496,921</b>	<b>2,526,629</b>	<b>5,425,978</b>	<b>5,000,267</b>	<b>7,008,298</b>	<b>47,270,433</b>
<b>LIABILITIES</b>							
Claims payable	\$ 784,101	150,068	1,329,643	-	-	316,930	2,580,742
Intergovernmental payables	572,690	-	-	-	-	-	572,690
Due to other funds	141,592	-	-	-	-	-	141,592
Unearned Revenue				2,750,511			2,750,511
Amounts held in custody for others	285,034	-	-	-	-	-	285,034
<b>Total Liabilities</b>	<b>\$ 1,783,417</b>	<b>150,068</b>	<b>1,329,643</b>	<b>2,750,511</b>	<b>-</b>	<b>316,930</b>	<b>6,330,569</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	\$ 9,204,188	1,346,797	-	-	-	2,167,369	12,718,354
Unavailable revenue - fines	770,396	-	-	-	-	-	770,396
<b>Total Deferred Inflows of Resources</b>	<b>\$ 9,974,584</b>	<b>1,346,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,167,369</b>	<b>13,488,750</b>
<b>FUND BALANCES</b>							
Nonspendable:							
Advances	116,707					-	116,707
Restricted for:							
General government	646,110			2,675,467	5,000,267	6,291,488	14,613,332
Public safety						218,262	218,262
Public works	-	3,000,056				941,930	3,941,986
Debt service	-		1,196,986			529,935	1,726,921
Unemployment compensation	-					23,310	23,310
Assigned:							
Public safety	-					110,544	110,544
Unassigned	10,291,522					(3,591,470)	6,700,052
<b>Total Fund Balances</b>	<b>\$ 11,054,339</b>	<b>3,000,056</b>	<b>1,196,986</b>	<b>2,675,467</b>	<b>5,000,267</b>	<b>4,523,999</b>	<b>27,451,114</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 22,812,340</b>	<b>4,496,921</b>	<b>2,526,629</b>	<b>5,425,978</b>	<b>5,000,267</b>	<b>\$ 7,008,298</b>	<b>\$ 47,270,433</b>

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

TATE COUNTY  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2022

Exhibit 3-1

	Amount
Total Fund Balance - Governmental Funds	\$ 27,451,114
Amounts reported for governmental activities in the statement of net position are different because:	
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition and, therefore, are not reported in the funds.	7,765
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 \$64,245,533	57,516,529
Other long-term assets are not available for current period expenditures and, therefore, are unearned in the funds.	770,396
Long-term liabilities not due and payable in the current period and, therefore, not reported in the funds.	(21,136,708)
Net pension obligations are not due and payable in the current period, and therefore are not reported in the funds	(16,283,964)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(145,223)
Deferred amount on refunding	525,333
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,767,367
Deferred inflows of resources related to pensions	(472,090)
Total Net Position - Governmental Activities	<u>\$ 50,000,519</u>

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

TATE COUNTY  
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2022

Exhibit 4

	Major Funds						
	General Fund	Road Fund	2021 Bond Fund	American Recovery Plan Fund	Local Improvements Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 9,623,725	1,330,158	-	-	-	2,192,120	13,146,003
Road and bridge privilege taxes	14,731	241,244	-	-	-	-	255,975
Licenses, commissions, and other revenues	1,106,656	7,283	-	-	-	20,990	1,134,929
Fines and forfeitures	410,663	-	-	-	-	1,161	411,824
Intergovernmental revenues	716,746	2,847,926	-	-	5,000,000	3,637,517	12,202,189
Charges for services	213,619	-	-	-	-	261,775	475,394
Interest	131,918	23,316	61,149	34,270	267	46,605	297,525
Miscellaneous	335,830	60,123	105,824	-	-	196,318	698,095
Total Revenues	12,553,888	4,510,050	166,973	34,270	5,000,267	6,356,486	28,621,934
<b>EXPENDITURES</b>							
Current:							
General government	5,118,833	-	-	119,312	-	1,652,724	6,890,869
Public safety	4,541,506	-	-	-	-	1,415,675	5,957,181
Public works	-	4,121,427	9,167,319	-	-	3,782,883	17,071,629
Health and welfare	216,722	-	-	-	-	-	216,722
Culture and recreation	168,000	-	-	-	-	-	168,000
Conservation of natural resources	70,428	-	-	-	-	-	70,428
Economic development and assistance	173,459	-	-	-	-	-	173,459
Debt service:							
Principal	56,393	108,581	-	-	-	1,173,691	1,338,665
Interest and fees	69,528	15,753	-	-	-	330,985	416,266
Total Expenditures	10,414,869	4,245,761	9,167,319	119,312	-	8,355,958	32,303,219
Excess of Revenues Over (Under)							
Expenditures	2,139,019	264,289	(9,000,346)	(85,042)	5,000,267	(1,999,472)	(3,681,285)
<b>OTHER FINANCING SOURCES (USES)</b>							
Loan Proceeds	-	606,363	-	-	-	307,047	913,410
Proceeds from sale of capital assets	123,075	116,965	-	-	-	304,201	544,241
Compensation for loss of assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	572,060	572,060
Transfers out	(557,263)	-	-	-	-	(14,797)	(572,060)
Total Other Financing Sources (Uses)	(434,188)	723,328	-	-	-	1,168,511	1,457,651
Net Change in Fund Balances	1,704,831	987,617	(9,000,346)	(85,042)	5,000,267	(830,961)	(2,223,634)
Fund Balance - Beginning	9,349,508	2,012,439	10,197,332	2,760,509	-	5,354,960	29,674,748
Fund Balance - Ending	\$ 11,054,339	3,000,056	1,196,986	2,675,467	5,000,267	4,523,999	27,451,114

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

## TATE COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2022

Net Changes in Fund Balances - Total Governmental Funds	\$ (2,223,634)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$14,927,193 exceeded depreciation of \$1,069,974 in the current period.	13,857,219
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus the change in net position differs from the change in fund balances by the amount of the net gain of \$285,199 and the proceeds from the sale of \$544,241 in the current period.	(259,042)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full accrual basis of accounting.	46,636
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which repayments of \$1,338,665 in the current period exceeded proceeds of \$913,410.	425,255
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Accrued interest on debt	(25,066)
Prepaid insurance	(7,416)
Compensated absences	38,569
Bond premium and deferred loss amortization	(51,689)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(1,504,399)
Recording of contributions made during the year	904,850
Change in Net Position of Governmental Activities	<u>\$ 11,201,283</u>

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

TATE COUNTY  
Statement of Net Position - Proprietary Funds  
September 30, 2022

Exhibit 5

	Business-type Activities- Enterprise Funds		
	Major Fund- Solid Waste Management Fund	Other Fund	Total
<u>ASSETS</u>			
Current Assets			
Cash	\$ 609,698	170,547	780,245
Accounts receivable, net of allowance for doubtful accounts \$700,086	494,536	-	494,536
Due from other funds	20,181	2,457	22,638
Prepaid Items	338	-	338
Total Current Assets	1,124,753	173,004	1,297,757
Noncurrent Assets			
Capital assets, net of accumulated depreciation	1,069,644	-	1,069,644
Total Noncurrent Assets	1,069,644	-	1,069,644
Total Assets	2,194,397	173,004	2,367,401
Deferred Outflows of Resources			
Deferred Outflows-Pensions	109,217	-	109,217
Total Deferred Outflows of Resources	109,217	-	109,217
<u>LIABILITIES</u>			
Current Liabilities			
Claims payable	55,505	-	55,505
Due to other funds	-	41,487	41,487
Advances from other funds	116,707	-	116,707
Unearned revenue	113,781	-	113,781
Capital debt			
Capital related debt-current portion	209,514	-	209,514
Total Current Liabilities	495,507	41,487	536,994
Noncurrent Liabilities			
Capital debt			
Capital related debt-noncurrent portion	582,726	-	582,726
Non-capital debt			
Compensated absences payable	28,174	-	28,174
Net Pension Liability	1,006,293	-	1,006,293
Total Noncurrent Liabilities	1,617,193	-	1,617,193
Total Liabilities	2,112,700	41,487	2,154,187
Deferred Inflows of Resources			
Deferred Inflows - Pensions	29,174	-	29,174
Total Deferred Inflows of Resources	29,174	-	29,174
<u>NET POSITION</u>			
Net investment in capital assets	277,404	-	277,404
Unrestricted	(115,664)	131,517	15,853
Total Net Position	\$ 161,740	131,517	293,257

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

TATE COUNTY  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended September 30, 2022

Exhibit 6

	Business-type Activities - Enterprise Funds		
	Major Fund- Solid Waste Management Fund	Other Fund	Total
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ 1,438,760	-	1,438,760
Charges for sales	-	-	-
Total Operating Revenues	1,438,760	-	1,438,760
<b><u>OPERATING EXPENSES</u></b>			
Personnel services	436,787	-	436,787
Contractual services	210,310	128,217	338,527
Pension expense	125,316	-	125,316
Repairs and maintenance	114,919	-	114,919
Other supplies and expenses	175,413	-	175,413
Insurance	19,586	-	19,586
Depreciation	283,748	-	283,748
Total Operating Expenses	1,366,079	128,217	1,494,296
Operating Income (Loss)	72,681	(128,217)	(55,536)
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Gain (loss) on sale of capital assets	136,536	-	136,536
Interest expense	(17,035)	-	(17,035)
Other income (expense)	3,172	199,811	202,983
Net Nonoperating Revenues (Expenses)	122,673	199,811	322,484
Change in Net Position	195,354	71,594	266,948
Net Position - Beginning	(33,614)	59,923	26,309
Net Position - Ending	\$ 161,740	131,517	293,257

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



TATE COUNTY  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2022

Exhibit 7

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Major Fund- Solid Waste Management Fund</u>	<u>Other Fund</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 1,404,482	-	1,404,482
Cash payments for goods and services	(477,229)	(128,217)	(605,446)
Cash payments to employees	(433,671)	-	(433,671)
Payments for insurance premiums	(19,242)	-	(19,242)
Other income (expense)	(55,889)	-	(55,889)
Net Cash Provided (Used) by Operating Activities	<u>418,451</u>	<u>(128,217)</u>	<u>290,234</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Cash received from other funds:			
Loans to other funds	(1,024)	-	(1,024)
Miscellaneous receipts (expense)	3,172	199,811	202,983
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,148</u>	<u>199,811</u>	<u>201,959</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Proceeds from issuance of long-term debt	912,510	-	912,510
Purchase of capital assets	(947,112)	-	(947,112)
Proceeds from the sale of capital assets	247,016	-	247,016
Principal paid on long-term debt	(555,604)	-	(555,604)
Interest paid on debt	(17,035)	-	(17,035)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(360,225)</u>	<u>-</u>	<u>(360,225)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	60,374	71,594	131,968
Cash and Cash Equivalents at Beginning of Year	549,324	98,953	648,277
Cash and Cash Equivalent at End of Year	<u>\$ 609,698</u>	<u>170,547</u>	<u>780,245</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	<u>\$ 72,681</u>	<u>(128,217)</u>	<u>(55,536)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	283,748	-	283,748
Change in assets and liabilities:			
(Increase) decrease in accounts receivable, net	(37,575)	-	(37,575)
(Increase) decrease in prepaid items	344	-	344
(Increase) decrease in deferred outflows of resources	(31,479)	-	(31,479)
Increase (decrease) in unearned revenue	3,297	-	3,297
Increase (decrease) in claims payable	23,413	-	23,413
Increase (decrease) in compensated absences	3,116	-	3,116
Increase (decrease) in net pension liability	325,151	-	325,151
Increase (decrease) in deferred inflows of resources	(224,245)	-	(224,245)
Total adjustments	<u>345,770</u>	<u>-</u>	<u>345,770</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 418,451</u>	<u>(128,217)</u>	<u>290,234</u>

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

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

B. Basis of Presentation.

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

Government-wide Financial Statements:

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

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

Fund Financial Statements:

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

C. Measurement Focus and Basis of Accounting.

The Government-wide and Proprietary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

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

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

The County reports the following major Governmental Funds:

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

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

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

American Recovery Plan Fund – This fund is used to account for monies from The American Rescue Plan Act of 2021 that are used to aid in the recovery of the effects associated with COVID-19 pandemic.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

Local Improvements Fund – This fund is used to account for revenues from specific revenue sources that are restricted for local infrastructure improvements.

The County reports the following major Enterprise Fund:

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

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

PROPRIETARY FUND TYPE

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

D. Account Classifications.

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

E. Deposits and Investments.

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

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

F. Receivables.

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

G. Interfund Transactions and Balances.

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

H. Prepaid Items.

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

I. Capital Assets.

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

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

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

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

\*Intangible assets for the County represent right-to-use assets and are capitalized as a group for reporting purposes. The estimated useful life is the term of the lease agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

J. Deferred Outflows/Inflows of Resources.

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

Deferred loss on bond refunding – For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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

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

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

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

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

K. Leases.

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases (GASB 87), to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASB 87 was implemented during fiscal year 2022.

The County uses the estimated incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

L. Long-Term Liabilities.

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

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

In the fund financial statements, Governmental Fund Types recognize the bond premiums and discounts during the current year. The face amount of the debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. 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.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

N. Compensated Absences.

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

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

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

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

*Assigned fund balance* includes amounts that are constrained by the County's intent to be used for a



TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

specific purpose but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the County Administrator pursuant to authorization established by board of supervisors.

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

**Fund Balance Flow Assumption:**

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

**P. Property Tax Revenues.**

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

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

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

**Q. Intergovernmental Revenues in Governmental Funds.**

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

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

R. Changes in Accounting Standards.

GASB 87, Leases, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

(2) Deposits.

The carrying amount of the county's total deposits with financial institutions at September 30, 2022, was \$34,059,021, which includes \$3,300 of petty cash and the bank balance was \$34,403,053. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-05, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

(3) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2022:

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Enterprise Fund	\$ 41,487
Road Fund	General Fund	33,757
Other Governmental Funds	General Fund	85,197
Solid Waste Management	General Fund	20,181
Other Enterprise Fund	General Fund	2,457
Total		<u>\$ 183,079</u>

All interfund loans were made to prevent borrowing from outside sources or due to tax revenue collected but not settled until October 2022. All interfund balances are expected to be repaid within one year from the date of the financial statements.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

B. Advances From/To Other Funds:

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

These funds represent unpaid indirect cost.

C. Transfers In/Out

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 557,263
Other Governmental Funds	Other Governmental Funds	14,797
Total		<u>\$ 572,060</u>

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

(4) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2022 consist of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative Tax Credit	\$ 227,299
Total	<u>\$ 227,299</u>

(5) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2022:

(See table on next page.)

**TATE COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2022**

**Governmental Activities:**

	Balance at 10/1/2021	Additions	Deletions	Adjustments	Balance at 9/30/2022
<u><b>Non-depreciable capital assets:</b></u>					
Land	\$ 1,273,727	263,020	(40,548)	-	\$ 1,496,199
Construction in progress	5,748,991	12,864,327		(1,396,918)	17,216,400
Total non-depreciable capital assets	7,022,718	13,127,347	(40,548)	(1,396,918)	18,712,599
<u><b>Depreciable capital assets:</b></u>					
Infrastructure	74,446,127	-	-	1,396,918	75,843,045
Buildings	17,782,760	126,855	-	-	17,909,615
Improvements other than buildings	155,317	81,814	-	-	237,131
Mobile Equipment	6,241,755	228,532	(358,913)	1,571,665	7,683,039
Furniture and equipment	710,266	678,942	(12,575)		1,376,633
Leased equipment	1,074,282	683,703	(186,320)	(1,571,665)	-
Total depreciable capital assets	100,410,507	1,799,846	(557,808)	1,396,918	103,049,463
<u><b>Less accumulated depreciation for:</b></u>					
Infrastructure	51,682,411	198,121		-	51,880,532
Buildings	5,842,214	334,094		-	6,176,308
Improvements other than buildings	103,768	9,485		-	113,253
Mobile Equipment	5,154,796	203,077	(294,458)	279,742	5,343,157
Furniture and equipment	577,671	165,930	(11,318)		732,283
Leased equipment	154,013	159,267	(33,538)	(279,742)	-
Total accumulated depreciation	63,514,873	1,069,974	(305,776)	-	64,245,533
Total depreciable capital assets, net	36,895,634	729,872	(252,032)	1,396,918	38,803,930
Governmental activities capital assets, net	\$ 43,918,352	13,857,219	(292,580)	-	\$ 57,516,529

**Business-type Activities:**

	Balance at 10/1/2021	Additions	Deletions	Adjustments	Balance at 9/30/2022
<u><b>Depreciable capital assets:</b></u>					
Mobile Equipment	\$ 396,743	34,602	(394,578)	1,541,777	\$ 1,578,544
Furniture and equipment	13,800	-	-	-	13,800
Leased equipment	629,267	912,510		(1,541,777)	-
Total depreciable capital assets	1,039,810	947,112	(394,578)	-	1,592,344
<u><b>Less accumulated depreciation for:</b></u>					
Mobile Equipment	284,095	62,862	(284,098)	447,421	510,280
Furniture and equipment	12,420		-	-	12,420
Leased equipment	226,535	220,886	-	(447,421)	-
Total accumulated depreciation	523,050	283,748	(284,098)	-	522,700
Total depreciable capital assets, net	\$ 516,760	663,364	(110,480)	-	\$ 1,069,644

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

The adjustments above for leased assets are a result of the implementation of GASB 87. Under the new guidance, leases that were previously reported as capital leases and whereby the asset conveys to the lessee at the conclusion of the lease, are now considered financed purchases. Since these assets are no longer considered leased assets, reclassifications have been made to report them in their respective category.

Depreciation expense was charged to the following functions:

Governmental activities:	Amount
General government	\$168,797
Public safety	638,906
Public works	224,614
Health and welfare	37,657
Total depreciation expense, governmental activities	<u>\$1,069,974</u>
Business-type activities:	
Solid Waste	<u>\$283,748</u>
Total depreciation expense, business-type activities	<u>\$283,748</u>

Commitments with respect to unfinished capital projects at September 30, 2022, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Hugh Taylor Rd. Bridge	\$ 48,126	12/19/2022
Watson Rd. Bridge	35,300	3/1/2023
Country Club Rd. Project	219,141	12/19/2022
Road Paving Project	8,153,347	9/30/2023
Courthouse Parking Lot	911,594	2/10/2024
Chromcraft Improvements	117,545	9/30/2024

(6) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2022, to January 1, 2023. The pool may make an

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(7) Other Postemployment Benefits.

The Tate County Board of Supervisors administers the County's health insurance plan, which is authorized by *Sections 25-15-101 et seq., Mississippi code of 1972 Annotated*. The County's health insurance plan may be amended by the Tate County Board of Supervisors. The County purchases health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. However, the County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures, which are required by accounting principles generally accepted in the United States of America.

(8) Defined Benefit Pension Plan.

*General Information about the Pension Plan*

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

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

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Contributions. At September 30, 2022, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the year ending September 30, 2022, 2021, and 2020 were \$970,254, \$956,509, and \$918,851, 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, 2022, the County reported a liability of \$17,290,257 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022 net pension liability was .084 percent, which was based on a measurement date of June 30, 2022. This was an increase of .002 percent from its proportionate share used to calculate the September 30, 2021 net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of 1,629,715. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 241,442	\$ -
Net difference between projected and actual earnings on pension plan investments	831,520	-
Changes of assumptions	583,765	-
Changes in the County's proportion and differences between the County's contributions and proportionate share of contributions	-	501,264
County contributions subsequent to the measurement date	219,857	-
Total	\$ 1,876,584	\$ 501,264

\$219,857 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	
2023	\$ 124,743
2024	263,181
2025	(170,678)
2026	938,217
	\$ 1,155,463

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

Actuarial Assumptions. The total pension liability as of June 30, 2022 was determined by an actuarial valuation prepared as of June 30, 2021 and by the investment experience for the fiscal year ending June 30, 2022. 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 the male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25.00%	4.60%
International Equity	20.00	4.50
Global Equity	12.00	4.85
Fixed Income	18.00	1.40
Real Estate	10.00	3.65
Private Equity	10.00	6.00
Private Infrastructure	2.00	4.00
Private Credit	2.00	4.00
Cash Equivalents	1.00	(0.10)
Total	100.00%	

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



TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.55 percent) or 1 percentage point higher (8.55 percent) than the current rate.

	1% Decrease 6.55%	Present Discount Rate 7.55%	1% Increase 8.55%
County's proportionate share of the net pension liability	\$22,565,551	\$17,290,257	\$12,941,045

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

(9) Long-term Debt.

Debt outstanding as of September 30, 2022, consisted of the following:

(See table on next page.)

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds			
Refunding Bond - 2016	\$ 4,205,000	2.00-3.00	3/1/2029
Road Bond - 2021	<u>13,130,000</u>	1.74	5/1/2036
Total General Obligation Bonds	<u>\$ 17,335,000</u>		
B. Financed Purchases			
Caterpillar Reclaimer	\$ 443,739	2.59	10/20/2026
Dodge Truck	10,929	3.97	1/15/2024
3 Backhoes	307,047	2.96	6/1/2027
Kubota Skid Steer	51,964	2.18	6/15/2026
Kubota Mini Excavator	76,437	2.18	6/15/2026
Durapatcher	56,021	2.18	6/15/2026
Low Boy Trailer	65,500	2.96	6/1/2027
Tar Truck	196,343	2.96	6/1/2027
Roller	114,813	3.15	7/12/2027
Fire Rescue Tools	98,240	2.10	11/15/2024
Total Financed Purchases	<u>\$ 1,421,033</u>		
C. Other Loans			
Courthouse Energy Saving Project	\$ 2,030,152	3.33	11/30/2035
Total Other Loans	<u>\$ 2,030,152</u>		
<b>Business-type Activities:</b>			
A. Financed Purchases			
Garbage Truck	\$ 264,080	2.03	3/15/2024
Garbage Truck	264,080	2.03	3/15/2024
Garbage Truck	<u>264,080</u>	2.03	3/15/2024
Total Financed Purchases	<u>\$ 792,240</u>		

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

(See table on next page.)

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Financed Purchases		Other Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 910,000	\$ 316,087	\$ 295,206	\$ 38,881	\$ 52,832	\$ 67,168
2024	930,000	298,037	302,630	30,912	54,606	65,394
2025	1,530,000	272,618	305,378	22,731	111,273	63,107
2026	1,570,000	239,962	279,387	14,542	115,010	59,371
2027	1,610,000	206,788	238,432	6,848	118,871	55,510
2028-2032	6,050,000	653,394	-	-	853,795	203,744
2033-2037	4,735,000	183,521	-	-	723,765	48,999
Total	<u>\$17,335,000</u>	<u>\$2,170,407</u>	<u>\$ 1,421,033</u>	<u>\$ 113,914</u>	<u>\$ 2,030,152</u>	<u>\$ 563,293</u>

Business-type Activities:

Year Ending September 30	Financed Purchases	
	Principal	Interest
2023	\$ 209,514	\$ 14,139
2024	582,726	5,466
Total	<u>\$ 792,240</u>	<u>\$ 19,605</u>

**Legal Debt Margin** – The amount of debt, excluding specific exempt debt that can be incurred by the county is limited by state statute. Total outstanding debt during the year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2022, the amount of outstanding debt was equal to 8.4 percent of the latest property assessments.

**Prior Year Defeasance of Debt** – In prior years, the County defeased certain certificates of participation by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old notes. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2022, \$4,580,000 of notes outstanding were considered defeased.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2022:

(See table on next page.)

**TATE COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2022**

	Balance 10/1/2021	Additions	Reductions	Adjustments	Balance 9/30/2022	Amount due within one year
<b>Governmental Activities:</b>						
Compensated Absences	\$ 322,408	\$ -	\$ 38,569	\$ -	\$ 283,839	\$ -
General Obligation Bonds	18,225,000	-	890,000	-	17,335,000	910,000
Add:						
Premiums	75,477	-	8,793	-	66,684	8,793
Financed Purchases	-	913,410	386,781	894,404	1,421,033	295,206
Capital Leases	894,404	-	-	(894,404)	-	-
Other Loans	2,092,036	-	61,884	-	2,030,152	52,832
Total	<u>\$21,609,325</u>	<u>\$ 913,410</u>	<u>\$ 1,386,027</u>	<u>\$ -</u>	<u>\$21,136,708</u>	<u>\$ 1,266,831</u>
<b>Business-type Activities:</b>						
Compensated Absences	\$ 25,058	\$ 3,116	\$ -	\$ -	\$ 28,174	\$ -
Financed Purchases	-	912,510	555,604	435,334	792,240	209,514
Capital Leases	435,334	-	-	(435,334)	-	-
Total	<u>\$ 460,392</u>	<u>\$ 915,626</u>	<u>\$ 555,604</u>	<u>\$ -</u>	<u>\$ 820,414</u>	<u>\$ 209,514</u>

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

(10) Contingencies.

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

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

(11) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$7,348,800) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$207,061 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, 2023. The \$1,560,306 balance of the deferred outflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years. The \$472,090 balance of the deferred inflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 3 years.

The governmental activities' net investment in capital assets net position amount of \$37,188,993 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

\$525,333 of the \$2,292,700 balance of deferred outflows of resources at September 30, 2022 will be recognized as an expense and will decrease the net investment in capital assets net position over the next 10 years.

The business-type activities' unrestricted net position of \$15,853 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 \$12,796 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, 2023. The \$96,421 balance of the deferred outflows of resources related to pensions at September 30, 2022 will be recognized in pension expense over the next 4 years. The \$29,174 balance of the deferred inflows of resources related to pensions at September 30, 2022 will be recognized in pension expense over the next 3 years.

(12) Related Organizations.

The Tate County Board of Supervisors is responsible for appointing one member of the board of the Tate County Economic Development Foundation, but the county's accountability for this organization does not extend beyond making appointments. During the year, the County appropriated \$146,459 to this organization.

(13) Joint Ventures.

The County participates in the following joint venture:

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

(14) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica, and Yalobusha. The Tate County Board of Supervisors appoints two of the 23 members of the college board of trustees. The County appropriated approximately \$1,078,660 for support and maintenance of the college in the 2022 fiscal year.

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Tate County Board of Supervisors appoints four of the 30 members of the board of directors, with two being appointed from the business community. The County appropriated \$27,000 for support of the district in the 2022 fiscal year.

Yazoo-Mississippi Water Management District operates in a district composed of the counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Tate County Board of Supervisors appoints one of the 21 members of the district board of commissioners. The County levied a .75 mill tax for the maintenance and support of the district in the 2022 fiscal year.

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Tate County Board of Supervisors appoints one of the 30 members of the governing board. The County did not appropriate any funds for the support of the agency in the 2022 fiscal year.

Communicare operates in a district composed of the counties of Calhoun, Lafayette, Marshall, Panola, Tate, and Yalobusha. The Tate County Board of Supervisors appoints one of the seven members of the Board of Commissioners. The County appropriated \$30,900 for support of the district in the 2022 fiscal year.

(15) Tax Abatements.

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

The Tate County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for ten years and are for economic development purposes. The County had tax abatement agreements with three entities as of September 30, 2022.

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

All allowable property tax levies

Category	% of Taxes Abated	Amount of Taxes Abated During the Year
Additions to or expansions of a manufacturing facility	42.12%	\$ 834,188

(16) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of Tate County evaluated the activity of the County through December 27, 2023, (the date the financial statements were available to be issued), and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements:

Issue Date	Interest Rate	Issue Amount	Type of Purchase	Source of Financing
8/21/2023	5.78%	\$ 230,000	Financed Purchase	Ad valorem tax
8/21/2023	5.78%	\$ 230,000	Financed Purchase	Ad valorem tax
10/10/2023	5.50%	\$ 396,618	Financed Purchase	Ad valorem tax
10/30/2023	5.50%	\$ 230,063	Financed Purchase	Ad valorem tax

TATE COUNTY  
Notes to Financial Statements  
For the Year Ended September 30, 2022

On January 17, 2023, the County purchased the real property owned by Highland Hills, a 15-bed hospital facility located in Senatobia, MS. The purchase price was \$3,000,000. In May 2023, the operations and remaining assets were purchased for \$500,000. The County plans on operating Highland Hills as a community hospital.

## REQUIRED SUPPLEMENTARY INFORMATION



TATE COUNTY  
 Budgetary Comparison Schedule  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2022  
 UNAUDITED

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget</b>
<b><u>REVENUES</u></b>				
Property taxes	9,604,188	\$ 9,525,652	\$ 9,525,652	-
Licenses, commissions and other revenue	1,134,450	1,180,901	1,180,901	-
Fines and forfeitures	223,500	307,623	307,623	-
Intergovernmental revenue	585,355	659,964	659,964	-
Charges for services	-	213,743	213,743	-
Use of money and property	145,000	165,379	165,379	-
Miscellaneous	468,600	417,780	417,780	-
Total Revenues	12,161,093	12,471,042	12,471,042	-
<b><u>EXPENDITURES</u></b>				
General government	7,068,339	5,227,773	5,227,773	-
Public safety	4,491,041	4,516,253	4,516,253	-
Health and welfare	214,539	189,865	189,865	-
Culture and recreation	174,000	168,000	168,000	-
Conservation of natural resources	95,691	90,373	90,373	-
Economic development and assistance	167,000	173,459	173,459	-
Total Expenditures	12,210,610	10,365,723	10,365,723	-
Excess of Revenues				
Over (Under) Expenditures	(49,517)	2,105,319	2,105,319	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer in	-	-	-	-
Transfer out	(3,792,000)	(557,263)	(557,263)	-
Total Other Financing Sources (Uses)	(3,792,000)	(557,263)	(557,263)	-
Net Changes in Fund Balances	\$ (3,841,517)	1,548,056	1,548,056	-
Fund Balance - Beginning of Year			10,425,718	
Fund Balance - End of Year			\$ 11,973,774	

The accompanying notes are an integral part of this schedule.

**TATE COUNTY**  
**Budgetary Comparison Schedule - Road Fund**  
**Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended September 30, 2022**

**UNAUDITED**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget</b>
<b><u>REVENUES</u></b>				
Property taxes	1,320,782	1,329,065	1,329,065	-
Intergovernmental revenue	689,600	1,286,282	1,286,282	-
Charges for services	-	56,396	56,396	-
Use of money and property	11,400	23,316	23,316	-
Miscellaneous revenue	-	120,693	120,693	-
<b>Total Revenues</b>	<b>2,021,782</b>	<b>2,815,752</b>	<b>2,815,752</b>	<b>-</b>
<b><u>EXPENDITURES</u></b>				
Public works	1,786,848	1,651,234	1,651,234	-
Debt service	215,497	124,333	124,333	-
<b>Total Expenditures</b>	<b>2,002,345</b>	<b>1,775,567</b>	<b>1,775,567</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	19,437	1,040,185	1,040,185	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>19,437</b>	<b>1,040,185</b>	<b>1,040,185</b>	<b>-</b>
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			1,040,185	

The accompanying notes are an integral part of this schedule.

**TATE COUNTY**  
**Budgetary Comparison Schedule - ARPA Fund**  
**Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended September 30, 2022**

**UNAUDITED**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget</b>
<b><u>REVENUES</u></b>				
Property taxes				-
Intergovernmental revenue	-	2,750,511	2,750,511	-
Charges for services				-
Use of money and property	35,000	34,270	34,270	-
Miscellaneous revenue				-
Total Revenues	35,000	2,784,781	2,784,781	-
<b><u>EXPENDITURES</u></b>				
Public works	-	119,312	119,312	-
Debt service				-
Total Expenditures	-	119,312	119,312	-
Excess of Revenues				
Over (Under) Expenditures	35,000	2,665,469	2,665,469	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	35,000	2,665,469	2,665,469	-
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			2,665,469	

The accompanying notes are an integral part of this schedule.

TATE COUNTY

Schedule of County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years\*

For the Year Ended September 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.084%	0.082%	0.080%	0.085%	0.089%	0.084%	0.083%	0.085%	0.087%
County's proportionate share of the net pension liability (asset)	\$ 17,290,257	\$ 12,119,958	\$ 15,487,076	\$ 14,953,177	\$ 14,803,344	\$ 13,963,654	14,825,873	13,139,324	10,560,207
County's covered payroll	\$ 5,576,172	\$ 5,497,178	\$ 5,280,753	\$ 5,324,782	\$ 5,784,819	\$ 5,534,851	5,305,397	5,322,093	5,305,246
County's proportionate share of the net pension liability as a percentage of its covered payroll	310.07%	220.48%	293.27%	280.82%	255.90%	252.29%	279.45%	246.88%	199.05%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

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

TATE COUNTY  
Schedule of the County Contributions  
Last 10 Fiscal Years\*  
For the Year ended September 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 970,254	\$ 956,509	\$ 918,851	\$ 889,418	\$ 911,109	\$ 871,739	829,673	838,209
Contributions in relation to the contractually required contribution	970,254	956,509	918,851	889,418	911,109	871,739	829,673	838,209
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
County's covered payroll	\$ 5,576,172	\$ 5,497,178	\$ 5,280,753	\$ 5,324,782	\$ 5,784,819	\$ 5,534,851	5,267,765	5,322,093
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.70%	15.75%	15.75%	15.75%	15.75%

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

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

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2022

UNAUDITED

Budgetary Comparison Schedule

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major special revenue fund:

	General Fund	Road Fund	American Recovery Plan Fund
Budget (Cash Basis)	\$ 1,548,056	\$ 1,040,185	\$ 2,665,469
Increase (Decrease)			
Net adjustments for revenue accruals	205,921	2,417,626	(2,750,511)
Net adjustments for expenditure accruals	(49,146)	(2,470,194)	-
Net Change GAAP Basis	<u>\$ 1,704,831</u>	<u>\$ 987,617</u>	<u>\$ (85,042)</u>

Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2022

UNAUDITED

D. Unbudgeted Funds.

None

Pension Schedules

A. Changes of Assumptions

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

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

UNAUDITED

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



Tate County  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2022

UNAUDITED

- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
  - For males, 97% of male rates at all ages.
  - For females, 110 % of female rates at all ages.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 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%.

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.

C. 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, 2020 valuation for the June 30, 2022 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	27.7 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

## OTHER INFORMATION

**TATE COUNTY****Schedule of Surety Bonds for County Officials****For the Year Ended September 30, 2022****UNAUDITED**

<b>Name</b>	<b>Position</b>	<b>Ins. Company</b>	<b>Amount</b>
Eddie Branan	Supervisor District 1	RLI Insurance Co.	\$100,000
Cliff O'Conner	Supervisor District 2	Travelers Insurance Co.	\$100,000
Tony Sandridge	Supervisor District 3	Western Surety	\$100,000
William Saunders	Supervisor District 4	Travelers Insurance Co.	\$100,000
Daryl Ricks	Supervisor District 5	Travelers Insurance Co.	\$100,000
Cole Massie	County Administrator	Travelers Insurance Co.	\$100,000
Tim Hale	Chancery Clerk	RLI Insurance Co.	\$100,000
Junior Flippo	Purchase Clerk	Travelers Insurance Co.	\$100,000
Cole Massie	Assistant Purchasing	Travelers Insurance Co.	\$50,000
Stephanie Huddleston	Assistant Purchasing	Travelers Insurance Co.	\$50,000
Sherra Stricklen	Receiving Clerk	Travelers Insurance Co.	\$75,000
Mamie Irby	Assistant Receiving	Travelers Insurance Co.	\$50,000
Melanie Phillips	Assistant Receiving	Travelers Insurance Co.	\$50,000
Tim Hale	Assistant Receiving	Travelers Insurance Co.	\$50,000
Mandalyn Hartsfield	Inventory Clerk	Travelers Insurance Co.	\$75,000
Robert Brownlee, Jr.	Constable District 1	Travelers Insurance Co.	\$50,000
Derrick Richardson	Constable District 2	Travelers Insurance Co.	\$50,000
Pat Kizziah	Coroner	Travelers Insurance Co.	\$10,000
Edward Hadskey	Circuit Clerk	RLI Insurance Co.	\$100,000
Kenda Blount	Deputy Circuit Clerk	Travelers Insurance Co.	\$100,000
Keeba Adams	Deputy Circuit Clerk	Travelers Insurance Co.	\$100,000
Penny Hawks Frazier	Deputy Circuit Clerk	Travelers Insurance Co.	\$100,000
William Lance	Sheriff	Travelers Insurance Co.	\$100,000
Malcolm Manning	Justice Court Judge	RLI Insurance Co.	\$50,000
Carolyn Newson	Justice Court Judge	RLI Insurance Co.	\$50,000
Stacy Suddoth	Justice Court Clerk	Travelers Insurance Co.	\$50,000
Christy Loveberry	Justice Deputy Clerk	Travelers Insurance Co.	\$50,000
Sharon Jaynette Ware	Justice Deputy Clerk	Travelers Insurance Co.	\$50,000
Victor Byrd	Justice Deputy Clerk	Travelers Insurance Co.	\$50,000
James Jeffrey Farrow	Justice Deputy Clerk	Travelers Insurance Co.	\$50,000
Jeremy Shane Brewer	Justice Deputy Clerk	Travelers Insurance Co.	\$50,000
John Grace	Justice Deputy Clerk	Travelers Insurance Co.	\$50,000
Joyce Collins	Tax Collector/Assessor	Travelers Insurance Co.	\$100,000
Bernice Avila	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Linda Weatherly	Tax Collector Deputy	RLI Insurance Co.	\$50,000
George Michael	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Kellye Phelps Weeks	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Michelle Jones	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Cassie Webb	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Natalie Sowell	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Raven Middleton	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Felicia Harris	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Coretta Shaw-Hunter	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Brackin Dawson	Tax Collector Deputy	RLI Insurance Co.	\$50,000
Donnal Benton Ash	Road Manager	Travelers Insurance Co.	\$50,000
George Michael	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Linda Weatherly	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Bernice Avila	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Kellye Phelps Weeks	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Michelle Jones	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Cassie Webb	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Natalie Sowell	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Raven Middleton	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Felicia Harris	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Coretta Shaw-Hunter	Deputy Tax Assessor	RLI Insurance Co.	\$10,000
Brackin Dawson	Deputy Tax Assessor	RLI Insurance Co.	\$10,000

## SPECIAL REPORTS

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

Members of the Board of Supervisors  
Tate County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tate County, Mississippi, (The County) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 27, 2023. Our report includes a qualified opinion on the governmental activities, the business-type activities, and Solid Waste Fund because the County did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as 2022-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

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

We noted certain matters that we reported to the management of Tate County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated December 27, 2023, included within this document.

**Tate County's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on Tate County, Mississippi's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. Tate County, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 *Governmental 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.



F.O Givens & Co.  
Certified Public Accountants  
December 27, 2023

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

Members of the Board of Supervisors  
Tate County, Mississippi

We have examined Tate County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2022. The Board of Supervisors of Tate County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

The results of our audit procedures disclosed instances of noncompliance with the aforementioned code sections. These instances of noncompliance were considered in forming our opinion on compliance. Our finding and recommendation and your response are disclosed below:

Purchase Clerk and Sheriff

1. Finding

Section 31-7-103, Miss. Code Ann. (1972), requires a purchase requisition, purchase order and receiving report for all purchases over \$1,500, except for items enumerated by the Office of the State Auditor under the authority of Section 31-7-113, Miss. Code Ann. (1972). Of the items tested, thirteen purchases were made without proper requisitions and purchase orders as required by Section 31-7-103, Miss. Code Ann. (1972). The Board of Supervisors properly withheld payment from the vendor until a judgment was obtained by a court of competent jurisdiction. The following table details the purchases and the individuals responsible (see table on next page):

<u>Vendor</u>	<u>Responsible Party</u>	<u>Board Minute Date</u>	<u>Invoice Date</u>	<u>Amount</u>
Heritage Crystal Clean	Central Shop	10/18/2021	8/16/2021	\$ 2,140.75
Custom Security & Audio	Bldgs & Grounds	12/6/2021	10/11/2021	1,915.00
Mike's Glass	Sheriff's Dept.	12/20/2021	11/30/2021	4,475.00
Ross Motors	Sheriff's Dept.	3/7/2022	11/1/2021	4,046.00
Ross Motors	Sheriff's Dept.	3/7/2022	10/25/2021	9,452.00
Ross Motors	Sheriff's Dept.	5/2/2022	3/22/2022	4,031.75
Tri Star Companies	Bldgs & Grounds	3/11/2022	2/9/2022	2,599.76
Morgan & Thornburg Inc	Sheriff's Dept.	4/8/2022	3/17/2022	1,979.00
Dowdle & Powell	Sheriff's Dept.	4/8/2022	2/23/2022	11,220.00
Southern Tire Mart	Sheriff's Dept.	5/2/2022	12/30/2021	3,400.00
Scales Biological Lab	Sheriff's Dept.	7/5/2022	6/29/2022	17,600.00
Morgan & Thornburg Inc	Sheriff's Dept.	7/18/2022	4/21/2022	1,656.00
Morgan & Thornburg Inc	Sheriff's Dept.	7/18/2022	4/21/2022	1,618.00

#### Recommendation

The Board of Supervisors should establish corrective policy and procedures to ensure that all purchases are made in accordance with the central purchasing system laws. All County employees should be committed to following such policies and procedures.

#### Response

##### Purchase Clerk Response:

There are 3 instances on your report that would fall under my department. I can give an explanation for all three as to why a P.O. number was not obtained.

The first was for Heritage Crystal Clean. This was the company we used to pump used oil out of the oil pit. I was given a price per gallon for the pumping. Once the job was done, they had pumped more than was originally thought would need to be pumped. There was more in the tank than we estimated. When the invoice was received after the job was completed, it was then too late to write the P.O.

The second instance was Custom Security. They put in data drops for us. I hired them to install these in one of our buildings. The building ended up needing more data drops than was expected. My estimation was that this would not put us over and need a P.O., but it ended up being over and it was too late to issue one.

The third was Tri Star Co. They repair the A/C on the Courthouse. They came and looked at the repair and were notified of the need for a P.O. if the job was going to be a certain amount. They needed more parts than first discussed, but did not inform me that we had gone over the limit for needing a P.O.

In the future I will be more diligent to make sure that the P.O.s are issued if there is even a thought that we may go over, some of these instances you just don't know until the work is completed. I have now learned to issue a P.O. for any repairs. I try my best to avoid this issue and I will continue to try to see that this doesn't occur in my department.

Junior Flippo  
Tate County Purchase Clerk



Sheriff Response:

- Mike's Glass: There was work done on the glass in the jail. Going forward an invoice will be required on each level as the work is completed.
- Ross Motors: The total reflected the total amount of charges for repairing each vehicle. The Sheriff's Office only pays the deductibles for work on vehicles.
- Dowdle & Powell: There was work done in the jail kitchen at several levels. Going forward we will require an invoice after each level of completion.
- Scales Biological Lab: A Purchase Order was not issued because the work was done in different stages as materials were received. The Board of Supervisors have taken care of this issue. Going forward we will require no work done unless Purchase Order is issued. The person(s) in charge of work will be required to check for a P.O. in the future in a timely manner.
- Morgan & Thornburg Inc.: The company totaled all work after it was completed; therefore, no Purchase Order was needed. Going forward we will ask for invoices as work is completed or a total given for all work to be done so a Purchase Order can be requested.
- Southern Tire Mart: The company totaled all work after it was completed; therefore, no Purchase Order was needed. Going forward we will ask for invoices as work is completed or a total given for all work to be done so a Purchase Order can be requested.

In the future, person(s) at the Sheriff's Office who request a Purchase Order will be responsible to do a follow-up.

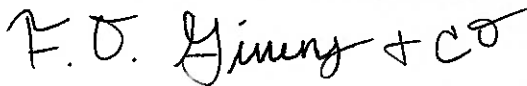
Mammie R. Irby  
Office Manager @ Sheriff's Office

In our opinion, except for the noncompliance referred to in the preceding paragraphs, Tate County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2022.

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

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

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



F. O. Givens & Co.  
Senatobia, MS  
December 27, 2023

TATE COUNTY

Schedule of Purchases Not Made from the Lowest Bidder  
For the Year Ended September 30, 2022

Our tests did not identify any purchases not made from the lowest bidder.

TATE COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2022

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
12/20/2021	Repair water leak in kitchen plumbing-Sheriff Dept	\$ 12,462	Morgan & Thornburg	Delay could prohibit use of kitchen for feeding the jail inmates.

TATE COUNTY  
Schedule of Purchases Made Noncompetitively  
From a Sole Source  
For the Year Ended September 30, 2022

Schedule 3

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

**F.O. GIVENS & COMPANY**

*CERTIFIED PUBLIC ACCOUNTANTS*

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

**LIMITED INTERNAL CONTROL  
AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Tate County, Mississippi

In planning and performing our audit of the financial statements of Tate County, Mississippi for the year ended September 30, 2022, we considered Tate County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Tate County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated December 27, 2023, on the financial statements of Tate County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, *Mississippi Code of 1972 Annotated*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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



F.O. Givens & Co.  
Senatobia, MS  
December 27, 2023

TATE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

TATE COUNTY  
Schedule of Findings and Responses  
For the Year Ended September 30, 2022

Section 1: Summary of Auditor's Results

Financial Statements:

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

Governmental activities	Qualified
Business-type activities	Qualified
General fund	Unmodified
Road fund	Unmodified
2021 Bond fund	Unmodified
American Recovery Plan Fund	Unmodified
Local Improvements Fund	Unmodified
Solid Waste fund	Qualified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

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

3. Noncompliance material to the financial statements noted? No

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

2022-001 Liability for postemployment benefits not recorded and note disclosures for postemployment benefits not reported.

Repeat Finding Yes

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

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

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

TATE COUNTY  
Schedule of Findings and Responses  
For the Year Ended September 30, 2022

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