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TUNICA COUNTY, MISSISSIPPI
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2022



TUNICA COUNTY
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TUNICA COUNTY

FINANCIAL SECTION



DAVID I. BRIDGERS, JR., CPA
L. KARL GOODMAN, CPA, MBA
WILLIAM F. BAIRD, CPA
EUGENE S. CLARKE, IV, CPA
DAVID E. CLARKE, CPA

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416
FAX: (601) 636-1417

MEMBERS OF
MISSISSIPPI SOCIETY OF CPAs
AMERICAN INSTITUTE OF CPAs
GOVERNMENT AUDIT QUALITY
CENTER

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Tunica County, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tunica County, Mississippi, (the County) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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 Responsibilities 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 Schedules and corresponding notes, the Schedule of the County's and Component Units' Proportionate Share of the Net Pension Liability, and the Schedule of County and Component Units 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.

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 June 15, 2023 on our consideration of Tunica County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tunica County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tunica County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

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

June 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

INTRODUCTION

The following discussion and analysis of Tunica County, Mississippi's (the County) financial performance provides an overview of the County's financial activities for the year ended September 30, 2022. Readers should also review the basic financial statements and disclosures to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the 2022 fiscal year by \$89,492,962 (net position). Of this amount the unrestricted net position showed a deficit balance of (\$11,042,961).
- The remaining net position of the County includes: \$91,672,448 net investment in capital assets and \$8,863,475 restricted (for public safety, public works and debt service).
- Total assets decreased \$14,456,340 from 2021.
- Total deferred outflows of resources increased \$1,935,648 from 2021.
- Total liabilities decreased \$5,145,343 from 2021.
- Total deferred inflows of resources decreased \$11,508,289 from 2021.
- The County's total net position increased \$4,132,940 from 2021.

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 comprise 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.

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

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

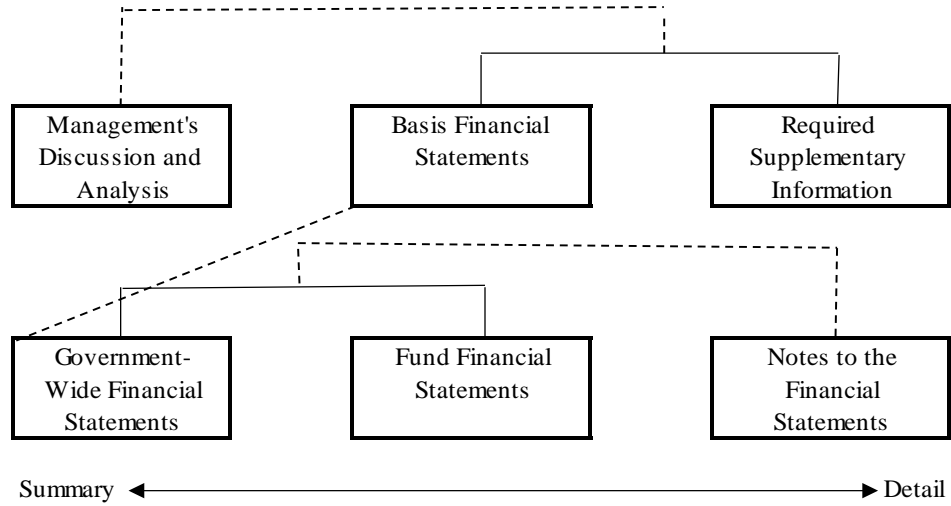


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

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

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

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

	Financial Statements		Governmental Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds)		All activities of the County that are not business-type or fiduciary in nature	The County is the trustee or agent for someone else's resources
Required Financial Statements	* Statement of Net Position * Statement of Activities		* Balance Sheet * Statement of Revenues, Expenditures and Changes in Fund Balances	* Statement of Fiduciary Net Position *Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus		Modified accrual accounting and current resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, liabilities, both financial and capital and short and long term		Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets, liabilities, both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid		Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). 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 assistance, interest on long-term debt and pension expense.

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 compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may gain a better understanding of the long-term effect of the County's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in a single column as Other Governmental Funds.

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

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

Notes to the Financial Statements

The notes provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary control and pensions.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided on the General Fund and each major special revenue fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position may serve over time as a useful indicator of the County's financial position. In the case of Tunica County, total assets and total deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$89,492,962 as of September 30, 2022.

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.

Table 1 presents a summary of the County's net position for the governmental activities at September 30, 2022 and September 30, 2021.

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

Table 1
Condensed Statement of Net Position

	Governmental Activities		Increase (Decrease)	% Change
	09/30/22	09/30/21		
Assets:				
Current assets	\$ 36,844,061	49,090,100	(12,246,039)	-25%
Capital assets, net	122,668,982	124,879,283	(2,210,301)	-2%
Total Assets	159,513,043	173,969,383	(14,456,340)	-8%
Deferred outflows of resources	4,213,152	2,277,504	1,935,648	85%
Liabilities:				
Current liabilities	4,089,034	14,424,058	(10,335,024)	-72%
Long-term debt outstanding	31,781,453	18,131,155	13,650,298	75%
Net pension liability	26,429,386	34,890,003	(8,460,617)	-24%
Total Liabilities	62,299,873	67,445,216	(5,145,343)	-8%
Deferred inflows of resources	11,933,360	23,441,649	(11,508,289)	-49%
Net Position:				
Net investment in capital assets	91,672,448	90,599,595	1,072,853	1%
Restricted	8,863,475	8,616,373	247,102	3%
Unrestricted	(11,042,961)	(13,855,946)	2,812,985	20%
Total Net Position	\$ 89,492,962	85,360,022	4,132,940	5%

The County's total assets decreased to \$159,513,043 during 2022 due to a decrease in current assets of \$12,246,039 and a decrease in capital assets of \$2,210,301.

The County's total liabilities decreased to \$62,299,873. The decrease in liabilities is \$5,145,343. It is primarily attributable to a decrease in current liabilities.

The County's net position increased by \$4,132,940 from 2021.

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

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

	Governmental Activities
Total unrestricted net position (deficit)	\$ (11,042,961)
Less unrestricted deficit in net position resulting from recognition of the net pension liability, including the deferred outflows and deferred inflows related to pensions	<u>26,212,919</u>
Unrestricted net position, exclusive of the net pension liability effect	\$ <u>15,169,958</u>

Changes in Net Position

Tunica County's total revenues for the fiscal year ended September 30, 2022 and 2021 were \$36,607,455 and \$36,649,088, respectively. This reflects a decrease of \$41,633 for 2022. The total cost of all services provided was \$32,025,840 for 2022 and \$25,991,523 for 2021. This reflects an increase of \$6,034,317 for 2022.

The following table presents a summary of the change in net position for the governmental activities for the fiscal years ended September 30, 2022 and September 30, 2021.

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

Table 2
Changes in Net Position

	Governmental Activities			
	Fiscal Year Ended 9/30/2022	Fiscal Year Ended 9/30/2021	Increase (Decrease)	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 2,335,707	\$ 1,745,924	\$ 589,783	34%
Operating grants & contributions	1,139,200	1,151,712	(12,512)	-1%
Capital grants & contributions	25,818		25,818	N/A
General revenues:				
Property taxes	9,519,074	10,768,742	(1,249,668)	-12%
Gaming revenue	19,770,592	20,628,245	(857,653)	-4%
Other taxes and other	3,817,064	2,354,465	1,462,599	62%
Total Revenues	<u>36,607,455</u>	<u>36,649,088</u>	<u>(41,633)</u>	<u>0%</u>
Expenses:				
General government	\$ 9,886,063	\$ 9,504,461	\$ 381,602	4%
Public safety	8,775,490	7,255,576	1,519,914	21%
Public works	6,247,496	5,040,193	1,207,303	24%
Health & welfare	1,885,415	1,215,728	669,687	55%
Culture & recreation	2,860,247	2,410,895	449,352	19%
Conservation of natural resources	294,483	122,241	172,242	141%
Economic development and assistance	141,934	39,250	102,684	262%
Interest on long-term debt	1,610,041	1,879,681	(269,640)	-14%
Pension expense	324,671	(1,476,502)	1,801,173	122%
Total Expenses	<u>32,025,840</u>	<u>25,991,523</u>	<u>6,034,317</u>	<u>23%</u>
Change in Net Position	<u>\$ 4,581,615</u>	<u>10,657,565</u>	<u>(6,075,950)</u>	<u>-57%</u>

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

The County's governmental activities continue to be funded primarily by gaming revenue, which made up 54% of the total revenues. The other major revenue sources were property taxes 26%, grants and contributions 3%, charges for services 7% and other taxes and other revenue 10%. The major expense activities were general government, public safety, public works, health and welfare, culture and recreation and interest on long-term debt, which comprise 31%, 27%, 20%, 6%, 9% and 5% of total expenses, respectively. The County remains committed to providing the services its residents expect and need.

Governmental Activities – The following table presents the cost of major functional activities of the County: General Government, Public Safety, Public Works, Health & Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development and Assistance, Interest on Long-Term Debt and Pension expense for the governmental activities. 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 Tunica County's taxpayers by each of these functions.

	2022	2022	2021	2021
	Total	Net	Total	Net
	Cost	Cost	Cost	Cost
<u>Governmental Activities:</u>				
General government	\$ 9,886,063	8,252,330	9,504,461	8,427,691
Public safety	8,775,490	8,426,727	7,255,576	6,869,811
Public works	6,247,496	4,881,165	5,040,193	3,741,210
Health and welfare	1,885,415	1,881,671	1,215,728	1,199,291
Culture and recreation	2,860,247	2,712,093	2,410,895	2,291,214
Conservation of natural resources	294,483	294,483	122,241	122,241
Economic development and assistance	141,934	141,934	39,250	39,250
Interest on long-term debt	1,610,041	1,610,041	1,879,681	1,879,681
Pension expense	324,671	324,671	(1,476,502)	(1,476,502)
Total Expenses	\$ <u>32,025,840</u>	<u>28,525,115</u>	<u>25,991,523</u>	<u>23,093,887</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental funds – At the close of the fiscal year, the County's governmental funds reported a combined fund balance of \$19,522,859 an increase of \$2,162,607 from 2021.

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 \$1,880,880.

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

Over the course of the year, Tunica County revised its annual operating budget on several occasions. A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund and the special revenue major fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - As of September 30, 2022, Tunica County's total capital assets were \$279,194,051. This includes land, construction in progress, infrastructure, buildings, improvements other than buildings, mobile equipment, furniture and equipment and intangible right to use equipment. This amount represents an increase from the previous year of \$2,750,977. Total accumulated depreciation as of September 30, 2022 was \$156,525,069, including \$5,318,079 of depreciation expense for the year. The balance in total net capital assets was \$122,668,982 at year-end. The following table is a summary of changes in capital assets, net of accumulated depreciation.

Table 3
CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Increase (Decrease)	Change
	<u>9/30/2022</u>	<u>9/30/2021</u>		
Land	\$ 7,358,508	7,358,508	-	0%
Construction in progress	87,399	71,997	15,402	21%
Infrastructure	47,871,953	49,042,056	(1,170,103)	-2%
Buildings and Improvements	62,205,652	64,826,672	(2,621,020)	-4%
Mobile equipment	3,855,527	2,728,824	1,126,703	41%
Furniture and equipment	654,045	563,219	90,826	16%
Leased property under capital lease	0	288,007	(288,007)	-100%
Intangible right to use equipment	635,898	0	635,898	N/A
Total Capital Assets, net	<u>\$ 122,668,982</u>	<u>124,879,283</u>	<u>(2,210,301)</u>	<u>-2%</u>

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

Debt Administration.

At September 30, 2022, Tunica County had \$31,781,453 in long-term debt outstanding compared to \$34,890,003 last year, a decrease of \$3,108,550. \$5,043,923 of this debt is due within one year.

Tunica County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2022

The following table illustrates the total long-term debt of the County as of September 30, 2022 and September 30, 2021:

Table 4
LONG-TERM DEBT
Outstanding at Year-End

	<u>Governmental</u>	<u>Activities</u>	<u>Increase</u>	
	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>(Decrease)</u>	<u>Change</u>
General Obligation Bonds	\$ 7,045,000	9,175,000	(2,130,000)	-23%
Less: Discounts	(29,667)	(39,579)	9,912	25%
Add: Premiums	155,039	211,423	(56,384)	-27%
Net General Obligation Bonds	<u>7,170,372</u>	<u>9,346,844</u>	<u>(2,176,472)</u>	-23%
Limited Obligation Bonds	13,995,000	14,385,000	(390,000)	-3%
Less: Discounts	(229,809)	(249,106)	19,297	8%
Net Limited Obligation Bonds	<u>13,765,191</u>	<u>14,135,894</u>	<u>(370,703)</u>	-3%
Other Loans	8,801,302	10,654,095	(1,852,793)	-17%
Financed Purchases	724,612	344,592	380,020	110%
Compensated absences	684,078	408,578	275,500	67%
Leases payable	635,898	0	635,898	N/A
Total Long-Term Debt	<u>\$ 31,781,453</u>	<u>34,890,003</u>	<u>(3,108,550)</u>	<u>-9%</u>

Additional information on the County's long-term debt can be found in Note 12 of this report.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

TUNICA COUNTY

FINANCIAL STATEMENTS

TUNICA COUNTY
Statement of Net Position
September 30, 2022

Exhibit 1

	Primary Government		Component Units				
	Governmental Activities	Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	Total Component Units
ASSETS							
Cash	\$ 16,237,575	534,655		151,566	1,258,987	304,957	2,250,165
Property tax receivable	7,141,435						
Accounts receivable (net of allowance for uncollectibles of \$0,\$0,\$12,373 and \$857,534)		502,666	28,685	10,387		110,267	652,005
Fines receivable (net of allowance for uncollectibles of \$5,225,567)	1,225,990						
Loans receivable	3,353,306						
Intergovernmental receivables	1,732,090		230,757		463,661		694,418
Other receivables/assets	3,972		129,674				129,674
Lease receivable	5,462,924						
Inventories and prepaid items		37,280	83,842	79,059	68,311		268,492
Restricted cash/investments	1,686,769	1,681	5,711				7,392
Capital assets:							
Land and construction in progress	7,445,907	526,673	3,475,189				4,001,862
Other capital assets, net	115,223,075	8,579,771	22,774,230	125,945	425,087		31,905,033
Total Assets	159,513,043	10,182,726	26,728,088	366,957	2,216,046	415,224	39,909,041
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	4,112,311		192,633		158,021	1,122,346	1,473,000
Deferred amount on refunding	100,841						
Total Deferred Outflows of Resources	4,213,152		192,633		158,021	1,122,346	1,473,000

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

TUNICA COUNTY
Statement of Net Position
September 30, 2022

Exhibit 1
continued

	Primary Government	Component Units					
	Governmental Activities	Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	Total Component Units
LIABILITIES							
Checks written in excess of cash balance	\$		162,197				162,197
Claims payable and accrued expenses	52,028	167,493	249,826	159,319	808	36,514	613,960
Intergovernmental payables	1,047,658	3,164,781					3,164,781
Accrued interest payable	598,181	7,240	1,254				8,494
Unearned revenue	1,870,903			102,181			102,181
Amounts held in custody for others		50,192		46,383			96,575
Other payables	414,890						
Short-term debt			34,033				34,033
Long-term liabilities							
Due within one year:							
Leases payable	324,887		2,262				2,262
Capital debt	4,719,036	662,736	32,360	39,204			734,300
Due in more than one year:							
Leases payable	311,011		3,205				3,205
Capital debt	25,742,441	2,193,026	255,395	19,870			2,468,291
Non-capital debt	684,078		12,372				12,372
Net pension liability	26,429,386		782,177		1,584,940	3,454,346	5,821,463
Total Liabilities	62,299,873	6,245,468	1,535,081	366,957	1,585,748	3,490,860	13,224,114
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	3,895,844		147,635		103,533	2,288	253,456
Deferred revenues - property taxes	7,141,435						
Deferred revenue - interest on leases	896,081		39,986				39,986
Total Deferred Inflows of Resources	11,933,360		187,621		103,533	2,288	293,442
NET POSITION							
Net investment in capital assets	91,672,448	6,250,682	25,956,197	66,871	425,087		32,698,837
Restricted for:							
Expendable:							
Public works	6,746,142						
Health and welfare						(1,955,578)	(1,955,578)
Unemployment compensation			5,711				5,711
Debt service	2,117,333						
Unrestricted	(11,042,961)	(2,313,424)	(763,889)	(66,871)	259,699		(2,884,485)
Total Net Position	\$ 89,492,962	3,937,258	25,198,019		684,786	(1,955,578)	27,864,485

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 9,886,063	1,101,727	532,006		(8,252,330)
Public safety	8,775,490	207,929	140,834		(8,426,727)
Public works	6,247,496	877,897	462,616	25,818	(4,881,165)
Health and welfare	1,885,415		3,744		(1,881,671)
Culture and recreation	2,860,247	148,154			(2,712,093)
Conservation of natural resources	294,483				(294,483)
Economic development and assistance	141,934				(141,934)
Interest on long-term debt	1,610,041				(1,610,041)
Pension expense	324,671				(324,671)
Total Primary Government	<u>32,025,840</u>	<u>2,335,707</u>	<u>1,139,200</u>	<u>25,818</u>	<u>(28,525,115)</u>
General revenues:					
Property taxes				\$	9,519,074
Gaming revenue					19,770,592
Road & bridge privilege taxes					99,175
Grants and contributions not restricted to specific programs					2,066,325
Rental income					229,962
Unrestricted interest income					228,713
Gain on disposal of assets					213,564
Miscellaneous					979,325
Total General Revenues					<u>33,106,730</u>
Changes in Net Position					<u>4,581,615</u>
Net Position - Beginning, as previously reported					85,360,022
Prior period adjustment					(448,675)
Net Position - Beginning, as restated					<u>84,911,347</u>
Net Position - Ending				\$	<u>89,492,962</u>

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

TUNICA COUNTY
Statement of Activities - Component Units
For the Year Ended September 30, 2022

Exhibit 2
continued

Component Unit	Expenses	Program Revenues			Tunica County Utility District	Tunica County Airport Commission	Tunica County Public Projects, Inc.	Tunica County Tourism Commission	Tunica County Healthcare Authority	Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions						
Tunica County Utility District	\$ 4,503,010	3,009,611			(1,493,399)					(1,493,399)
Tunica County Airport Commission	3,654,634	1,046,608	164,822	586,600		(1,856,604)				(1,856,604)
Tunica County Public Projects, Inc.	1,904,015	1,475,827					(428,188)			(428,188)
Tunica County Tourism Commission	1,531,014	130,437						(1,400,577)		(1,400,577)
Tunica County Healthcare Authority	3,148,084	1,178,909	450,998						(1,518,177)	(1,518,177)
Total Component Units	14,740,757	6,841,392	615,820	586,600						(6,696,945)
General revenues:										
Tourism taxes								1,540,575		1,540,575
Grants and contributions not restricted to specific programs						30,644	423,938		1,097,947	1,552,529
Gain on disposal of assets							4,250			4,250
Unrestricted interest income					382	75		1,277	600	2,334
Total General Revenues					382	30,719	428,188	1,541,852	1,098,547	3,099,688
Changes in Net Position					(1,493,017)	(1,825,885)		141,275	(419,630)	(3,597,257)
Net Position - Beginning, as previously reported					5,478,748	26,931,452		687,683	(1,535,948)	31,561,935
Prior period adjustment					(48,473)	92,452		(144,172)		(100,193)
Net Position - Beginning, as restated					5,430,275	27,023,904		543,511	(1,535,948)	31,461,742
Net Position - Ending					3,937,258	25,198,019		684,786	(1,955,578)	27,864,485

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

TUNICA COUNTY
Balance Sheet - Governmental Funds
September 30, 2022

Exhibit 3

	Major Funds			
	General Fund	Road Maintenance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 6,302,044	6,840,696	3,094,835	16,237,575
Property tax receivable	4,969,034		2,172,401	7,141,435
Fines receivable (net of allowance for uncollectibles of \$5,225,567)	1,225,990			1,225,990
Loans receivable	3,300,272		53,034	3,353,306
Lease receivable			5,462,924	5,462,924
Intergovernmental receivables	1,535,036	197,054		1,732,090
Other receivables	585			585
Due from other funds	1,048,208	9,394	151,656	1,209,258
Advances to other funds	42,746			42,746
Restricted assets	1,686,769			1,686,769
Total Assets	<u>\$ 20,110,684</u>	<u>7,047,144</u>	<u>10,934,850</u>	<u>38,092,678</u>
LIABILITIES				
Liabilities:				
Claims payable	\$ 47,057	3,986	985	52,028
Intergovernmental payables	1,047,658			1,047,658
Due to other funds	164,285	404,286	640,535	1,209,106
Advances from other funds		42,746		42,746
Unearned revenue			1,870,903	1,870,903
Amounts held in custody for others	105,374			105,374
Other payables	217,776		193,879	411,655
Total Liabilities	<u>1,582,150</u>	<u>451,018</u>	<u>2,706,302</u>	<u>4,739,470</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	4,969,034		2,172,401	7,141,435
Unavailable revenue - fines	1,225,990			1,225,990
Unavailable revenue - capital lease			5,462,924	5,462,924
Total Deferred Inflows of Resources	<u>6,195,024</u>		<u>7,635,325</u>	<u>13,830,349</u>
Fund balances:				
Nonspendable:				
Advances	42,746			42,746
Restricted for:				
General government			508,595	508,595
Public works		6,596,126	150,016	6,746,142
Debt service	1,686,769		430,564	2,117,333
Unassigned	10,603,995		(495,952)	10,108,043
Total Fund Balances	<u>12,333,510</u>	<u>6,596,126</u>	<u>593,223</u>	<u>19,522,859</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,110,684</u>	<u>7,047,144</u>	<u>10,934,850</u>	<u>38,092,678</u>

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

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

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 19,522,859
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$156,525,069.	122,668,982
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,225,990
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(31,781,453)
Capital leases are not available to pay for current period expenditures and, therefore are deferred in the funds.	4,566,843
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(26,429,386)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(598,181)
Deferred amount on refunding	100,841
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	4,112,311
Deferred inflows of resources related to pensions	<u>(3,895,844)</u>
Total Net Position - Governmental Activities	\$ <u><u>89,492,962</u></u>

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

TUNICA COUNTY

Exhibit 4

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

	Major Funds		Other	Total
	General	Road	Governmental	Governmental
	Fund	Maintenance	Funds	Funds
		Fund		
REVENUES				
Property taxes	\$ 4,831,822	17,648	4,669,604	9,519,074
Gaming revenue	17,418,463	2,352,129		19,770,592
Road and bridge privilege taxes		99,175		99,175
Licenses, commissions and other revenue	1,056,786		5,355	1,062,141
Fines and forfeitures	179,248			179,248
Intergovernmental revenues	2,726,960	481,737	22,646	3,231,343
Charges for services	350,826	527,071	89,692	967,589
Interest income	53,284	26,236	149,193	228,713
Rental income	229,962			229,962
Miscellaneous revenues	978,335	990		979,325
Total Revenues	27,825,686	3,504,986	4,936,490	36,267,162
EXPENDITURES				
Current:				
General government	8,154,689		5,987	8,160,676
Public safety	8,340,099		1,408,330	9,748,429
Public works	788,812	4,635,053		5,423,865
Health and welfare	2,058,233			2,058,233
Culture and recreation	2,486,031			2,486,031
Conservation of natural resources	306,275			306,275
Economic development and assistance	117,417		25,084	142,501
Debt service:				
Principal	978,334		3,834,218	4,812,552
Interest	925,395		653,454	1,578,849
Total Expenditures	24,155,285	4,635,053	5,927,073	34,717,411
Excess of Revenues over (under) Expenditures	3,670,401	(1,130,067)	(990,583)	1,549,751
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	481,895		25,084	506,979
Proceeds from sale of assets	250,567			250,567
Transfers in		1,084,358	1,221,605	2,305,963
Transfers out	(2,305,963)			(2,305,963)
Lease principal payments			303,985	303,985
Total Other Financing Sources and Uses	(1,573,501)	1,084,358	1,550,674	1,061,531
Net Changes in Fund Balances	2,096,900	(45,709)	560,091	2,611,282
Fund Balances - Beginning, as previously reported	10,452,630	6,641,835	265,787	17,360,252
Prior period adjustments	(216,020)		(232,655)	(448,675)
Fund Balances - Beginning, as restated	10,236,610	6,641,835	33,132	16,911,577
Fund Balances - Ending	\$ 12,333,510	6,596,126	593,223	19,522,859

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

TUNICA 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

	Amount
Net Changes in Fund Balances - Governmental Funds	\$ 2,611,282
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$5,318,079 exceeded capital outlays of \$3,144,781 in the current period.	(2,173,298)
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 \$213,564 and the proceeds from the sale of \$250,567 in the current period.	(37,003)
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.	126,729
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. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$4,812,552 exceeded debt proceeds of \$1,455,677.	3,356,875
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	(275,500)
Change in accrued interest payable	42,529
The amortization of:	
Deferred amount on refunding bonds	(100,896)
Premiums on bonds	56,384
Discounts on bonds	(29,209)
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the Governmental Funds, both principal and interest payments received increase financial resources. Thus the change in net position differs from change in fund balances by the principal collections.	(303,985)
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	(324,671)
Recording of contributions made during the year	1,632,378
Change in Net Position of Governmental Activities	\$ 4,581,615

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

TUNICA COUNTY
Statement of Fiduciary Net Position
September 30, 2022

Exhibit 5

	Private-purpose Trust Funds	Custodial Funds
ASSETS		
Cash	\$ 31,902	21,939
Receivables:		
Intergovernmental receivables		394,108
Due from other funds		3,235
Total Assets	\$ <u>31,902</u>	<u>419,282</u>
LIABILITIES		
Due to other funds	\$	3,387
Intergovernmental payables		320,458
Total Liabilities	\$ <u></u>	<u>323,845</u>
NET POSITION		
Restricted for:		
Individuals, organizations and other governments	\$ <u>31,902</u>	<u>95,437</u>
Total Net Position	<u>31,902</u>	<u>95,437</u>

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

TUNICA COUNTY
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2022

Exhibit 6

	Private-purpose Trust Funds	Custodial Funds
ADDITIONS		
Interest income	\$ 128	
Property tax collections for other governments		848,985
Fines and fee collections for other governments		311,000
Hotel tax collections for other governments		1,506,432
Gaming collections for other governments		4,704,259
Total Additions	<u>128</u>	<u>7,370,676</u>
DEDUCTIONS		
Payments of property tax collections to other governments		844,728
Payments of fines and fee collections to other governments		313,375
Payments of hotel tax collections to other governments		1,506,432
Payments of gaming collections to other governments		4,750,366
Total Deductions	<u>0</u>	<u>7,414,901</u>
Net increase (decrease) in fiduciary net position	128	(44,225)
Net Position - Beginning	<u>31,774</u>	<u>139,662</u>
Net Position - Ending	<u>\$ 31,902</u>	<u>95,437</u>

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

TUNICA COUNTY

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

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

B. Individual Component Unit Disclosures

Discretely Presented Component Units

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

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

TUNICA COUNTY

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

- Tunica County Tourism Commission is a body politic created pursuant to House Bill 1691 to promote conventions and tourism within the County. It is governed by six Commissioners, five of whom are appointed by the Board of Supervisors of Tunica County and one appointed by the Town of Tunica. The organization is primarily funded by a three percent tourism tax imposed by the County on the gross proceeds of certain sales by bars, restaurants, and room rentals by hotels.
- Tunica County Healthcare Authority, located in Tunica, Mississippi is organized under the laws of the State of Mississippi pursuant to Miss. Code Ann. § 41-13-10 et seq., as amended. The Tunica County Healthcare Authority is owned by Tunica County, Mississippi, and operated by the Board of Trustees. The Board of Trustees consists of five (5) members and are appointed by the Board of Supervisors, each of which appoints one member from his or her district. The Board provides and manages two healthcare clinics, namely the Tunica Clinic and the Tunica Resorts Clinic (together the "Clinic" or "Clinics") and is charged with promoting and making provision for the delivery of health care services to meet the needs of Tunica County, Mississippi consistent with applicable health planning and licensure laws and regulations.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component units. 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. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures. Funds are organized into governmental and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor

TUNICA COUNTY

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

funds are aggregated and presented in a single column as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting.

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

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

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to 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.

FIDUCIARY FUND TYPES

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

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

TUNICA COUNTY

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

E. Account Classifications.

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

F. Deposits and Investments.

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

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

G. Receivables.

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

H. 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.

I. Restricted Assets.

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

J. Capital Assets.

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

TUNICA COUNTY

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

time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 0	N/A
Infrastructure	0	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 leased 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 live should not be amortized.

The term "depreciation" includes the amortization of intangible assets.

K. Deferred Outflows/Inflows of Resources.

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

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

Deferred outflows related to pensions - This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 13 for additional details.

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.

TUNICA COUNTY

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

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

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

Deferred inflows related to pensions - This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 13 for additional details.

Deferred revenue – interest on leases/unavailable revenue – capital leases – Deferred inflows of resources measured at the initial value of the lease receivable to reflect that the receivable relates to future periods.

L. 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.

M. Long-term Liabilities.

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

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

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

N. 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.

O. Compensated Absences.

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

TUNICA COUNTY

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

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

P. 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.

Governmental 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 by an external party or imposed by law through either a constitutional provision or enabling legislation.

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.

TUNICA COUNTY

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

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.

Q. Property Tax Revenues:

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

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor 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 measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

R. Intergovernmental Revenues in Governmental Funds.

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

S. 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.

TUNICA COUNTY

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

(2) Prior Period Adjustments.

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

Exhibit 2 – Statement of Activities – Governmental Activities.

<u>Tunica County</u>	
<u>Explanation</u>	<u>Amount</u>
To record settlement for overpayment of taxes	\$ <u>(448,675)</u>
Total prior period adjustment	\$ <u><u>(448,675)</u></u>

<u>Component Unit - Tunica County Utility District</u>	
<u>Explanation</u>	<u>Amount</u>
To correct prior year errors	\$ <u>(48,473)</u>
Total prior period adjustment	\$ <u><u>(48,473)</u></u>

<u>Component Unit - Tunica County Airport Commission</u>	
<u>Explanation</u>	<u>Amount</u>
To adjust capital assets to remove assets under the capitalization threshold	\$ <u>92,452</u>
Total prior period adjustment	\$ <u><u>92,452</u></u>

<u>Component Unit - Tunica County Tourism Commission</u>	
<u>Explanation</u>	<u>Amount</u>
To correct prior year accruals	\$ (147,035)
To correct for refund of prior year expenditures	<u>2,863</u>
Total prior period adjustment	\$ <u><u>(144,172)</u></u>

TUNICA COUNTY

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

Exhibit 4 – Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Tunica County	
Explanation	Amount
General Fund:	
To record settlement for overpayment of taxes	\$ (216,020)
Other Governmental Funds:	
To record settlement for overpayment of taxes	(232,655)
Total prior period adjustments	\$ (448,675)

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$16,291,416, and the bank balance was \$19,037,105. 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 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

Investments:

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

TUNICA COUNTY

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

Investments balances at September 30, 2022, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Morgan Stanley Institutional Liquidity Funds Government Portfolio	Less than 1 year	Level 1	\$ <u>1,686,769</u>
Total			\$ <u><u>1,686,769</u></u>

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

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

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

(4) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Custodial Funds	\$ 3,387
General Fund	Other Governmental Funds	640,535
General Fund	Road Maintenance Fund	404,286
Road Maintenance Fund	General Fund	9,394
Other Governmental Funds	General Fund	151,656
Custodial Funds	General Fund	<u>3,235</u>
Total		\$ <u><u>1,212,493</u></u>

The receivables represent the tax revenue collected in September, 2022, but not settled until October, 2022 and borrowings to cover expenditures and negative cash balances. All interfund balances are expected to be repaid within one year from the date of the financial statements.

TUNICA 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	Road Maintenance Fund	\$ <u>42,746</u>
Total		\$ <u><u>42,746</u></u>

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

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Road Maintenance Fund	General Fund	\$ 1,084,358
Other Governmental Funds	General Fund	<u>1,221,605</u>
Total		\$ <u><u>2,305,963</u></u>

The principal purpose of interfund transfers was to allocate gaming funds and transfer grant funds received into the General Fund in error. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables.

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

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 76,494
Gaming revenue	<u>1,655,596</u>
Total Governmental Activities	\$ <u><u>1,732,090</u></u>

(6) Loans Receivable.

Loans receivable balances at September 30, 2022, are as follows:

TUNICA COUNTY

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

<u>Description</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Receivable Balance</u>
Tunica County Utility District	Various	0.00%	Unknown	\$ <u>3,353,306</u>

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

(7) Restricted Assets.

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

Investments – Debt service reserve	<u>\$1,686,769</u>
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(8) Capital Assets.

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

TUNICA COUNTY

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

Tunica County Governmental activities:

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
<u>Non-depreciable capital assets:</u>					
Land	\$ 7,358,508				7,358,508
Construction in progress	71,997	15,402			87,399
Total non-depreciable capital assets	7,430,505	15,402			7,445,907
<u>Depreciable capital assets:</u>					
Infrastructure	133,884,991				133,884,991
Buildings	93,569,524				93,569,524
Improvements other than buildings	22,074,608				22,074,608
Mobile equipment	13,384,715	1,484,604	185,491	881,611	15,565,439
Furniture and equipment	5,631,321	281,876	208,313		5,704,884
Leased property under capital leases	467,410	414,201		(881,611)	-
Intangible right to use equipment		948,698			948,698
Total depreciable capital assets	269,012,569	3,129,379	393,804	0	271,748,144
<u>Less accumulated depreciation for:</u>					
Infrastructure	84,842,935	1,170,103			86,013,038
Buildings	35,913,721	1,842,417			37,756,138
Improvements other than buildings	14,903,739	778,603			15,682,342
Mobile equipment	10,655,891	878,597	166,948	342,372	11,709,912
Furniture and equipment	5,068,102	172,590	189,853		5,050,839
Leased property under capital leases	179,403	162,969		(342,372)	-
Intangible right to use equipment		312,800			312,800
Total accumulated depreciation	151,563,791	5,318,079	356,801	0	156,525,069
Total depreciable capital assets, net	117,448,778	(2,188,700)	37,003		115,223,075
Governmental activities capital assets	\$ 124,879,283	(2,173,298)	37,003		122,668,982
Total capital assets, net, excluding intangible right to use assets					\$ 122,033,084
Intangible right to use assets					635,898
Total capital assets, net, as reported in the Statement of Net Position					\$ 122,668,982

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:

TUNICA COUNTY

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

	<u>Amount</u>
Governmental activities:	
General government	\$ 2,169,765
Public safety	612,167
Public works	2,041,750
Health and welfare	1,700
Culture and recreation	492,662
Conservation of natural resources	13
Economic development and assistance	<u>22</u>
 Total governmental activities depreciation expense	 \$ <u><u>5,318,079</u></u>

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

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
State Aid Project BR NBIS 72	\$ Unknown	Unknown
Walnut Road - SAP 72 75	Unknown	Unknown

TUNICA COUNTY

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

Tunica County Utility District

	Balance Oct. 1, 2021	Additions	Deletions	Balance Sept. 30, 2022
<u>Non-depreciable capital assets:</u>				
Land	\$ 526,673			526,673
Total non-depreciable capital assets	526,673			526,673
<u>Depreciable capital assets:</u>				
Infrastructure	70,387,812			70,387,812
Buildings	279,907			279,907
Mobile equipment	2,098,917		18,197	2,080,720
Furniture and equipment	51,830			51,830
Total depreciable capital assets	72,818,466		18,197	72,800,269
<u>Less accumulated depreciation for:</u>				
Infrastructure	60,157,160	1,984,132		62,141,292
Buildings	81,276	3,863		85,139
Mobile equipment	1,942,914	17,520	18,197	1,942,237
Furniture and equipment	51,830			51,830
Total accumulated depreciation	62,233,180	2,005,515	18,197	64,220,498
Total depreciable capital assets, net	10,585,286	(2,005,515)		8,579,771
Total capital assets, net	\$ 11,111,959	(2,005,515)		9,106,444

TUNICA COUNTY

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

Tunica County Airport Commission

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments*	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	\$ 3,142,788				3,142,788
Construction in progress	50,404	281,997			332,401
Total non-depreciable capital assets	3,193,192	281,997			3,475,189
Depreciable capital assets:					
Infrastructure	44,831,958			(37,871)	44,794,087
Buildings	13,213,899			108,337	13,322,236
Mobile equipment	803,735			(1,330)	802,405
Furniture and equipment	1,766,909			(203,020)	1,563,889
Intangible right to use equipment		7,164			7,164
Total depreciable capital assets	60,616,501	7,164		(133,884)	60,489,781
Less accumulated depreciation for:					
Infrastructure	28,787,967	1,659,632		(29,935)	30,417,664
Buildings	4,627,933	369,955			4,997,888
Mobile equipment	767,596	3,377		(1,330)	769,643
Furniture and equipment	1,705,704	18,026		(195,071)	1,528,659
Intangible right to use equipment		1,697			1,697
Total accumulated depreciation	35,889,200	2,052,687		(226,336)	37,715,551
Total depreciable capital assets, net	24,727,301	(2,045,523)		92,452	22,774,230
Total capital assets, net	\$ 27,920,493	(1,763,526)		92,452	26,249,419
Total capital assets, net, excluding intangible right to use assets					\$ 26,243,952
Intangible right to use assets					5,467
Total capital assets, net, as reported in the Statement of Net Position					\$ 26,249,419

* Adjustments are to remove assets under the capitalization threshold and adjust the asset schedule to match documented listings.

TUNICA COUNTY

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

Tunica County Public Projects, Inc.

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
<u>Depreciable capital assets:</u>					
Furniture and equipment	692,956	2,697	23,173	42,480	714,960
Leased property under capital leases	42,480			(42,480)	0
Total depreciable capital assets	735,436	2,697	23,173		714,960
<u>Less accumulated depreciation for:</u>					
Furniture and equipment	580,670	23,022	23,173	8,496	589,015
Leased property under capital leases	4,248	4,248		(8,496)	0
Total accumulated depreciation	584,918	27,270	23,173		589,015
Total depreciable capital assets, net	150,518	(24,573)			125,945
Total capital assets, net	\$ 150,518	(24,573)			125,945

Tunica County Tourism Commission

	Balance Oct. 1, 2021	Additions	Deletions	Balance Sept. 30, 2022
<u>Depreciable capital assets:</u>				
Buildings	839,378	9,318		848,696
Mobile equipment	77,009		30,434	46,575
Furniture and equipment	67,222	6,912		74,134
Total depreciable capital assets	983,609	16,230	30,434	969,405
<u>Less accumulated depreciation for:</u>				
Buildings	412,056	27,219		439,275
Mobile equipment	60,708	9,315	30,434	39,589
Furniture and equipment	61,791	3,663		65,454
Total accumulated depreciation	534,555	40,197	30,434	544,318
Total depreciable capital assets, net	449,054	(23,967)		425,087
Total activities capital assets, net	\$ 449,054	(23,967)		425,087

(9) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool.

TUNICA COUNTY

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

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

(10) Leases.

The County is a lessee for various non-cancellable leases of equipment. For leases that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the lease contract. For all other leases, other than short-term, the County recognized a lease and an intangible right-to-use lease asset.

At lease commencement, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized in depreciation on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a county or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the County and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

As Lessee:

Governmental Activities:

The intangible right to use equipment at September 30, 2022, is as follows:

	Balance 10/1/2021	Additions	Amortization	Balance 9/30/2022
Copiers/printers	\$	294,550	102,653	191,897
Vehicles		654,148	210,147	444,001
Total	\$ -	948,698	312,800	635,898

See Note 8 for further details regarding intangible right to use equipment, which represents leased assets.

TUNICA COUNTY

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

The County has entered into various 36-60 month leases of copiers, printers and vehicles from various entities for a total fixed \$8,754 per month and \$18,805 per month, respectively. The lease agreements can only be cancelled if both parties agree. There are no options to extend the lease agreements and no variable payment options.

	<u>Term</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Monthly payment</u>	<u>Amount Outstanding</u>
Copier/printers	36-60 months	Various	Various	\$ 8,754	\$ 191,897
Vehicles	36 months	Various	Various	18,805	444,001
					<u>\$ 635,898</u>

The following is a schedule by years of the total payments due as of September 30, 2022:

Governmental Activities

<u>Year Ending September 30</u>	<u>Principal</u>
2023	\$ 324,887
2024	294,073
2025	<u>16,938</u>
Total	<u>\$ 635,898</u>

Tunica County Airport Commission:

The intangible right to use equipment at September 30, 2022, is as follows:

	<u>Balance 10/1/2021</u>	<u>Additions</u>	<u>Amortization</u>	<u>Balance 9/30/2022</u>
Copier	\$	5,934	1,405	4,529
Postage machine		<u>1,230</u>	<u>292</u>	<u>938</u>
Total	<u>\$ -</u>	<u>7,164</u>	<u>1,697</u>	<u>5,467</u>

See Note 8 for further details regarding intangible right to use equipment, which represents leased assets.

The Tunica County Airport Commission has entered into a lease agreement with Ricoh for the lease of a copy machine owned by Ricoh. The lease stipulated that the lessee would pay approximately \$156 per month in lease payments commencing in January 2022 for a term of 38 months.

The Tunica County Airport Commission also entered into a lease agreement with Ricoh for the lease of a postage meter owned by Quadient. The lease stipulated that the lessee would pay approximately \$32 per month in lease payments commencing in January 2022 for a term of 38 months.

TUNICA COUNTY

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

	<u>Term</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Monthly payment</u>	<u>Amount Outstanding</u>
Copier	38 months	1/1/2022	3/31/2025	\$ 156	\$ 4,529
Postage machine	38 months	1/1/2022	3/31/2025	32	938
					<u>\$ 5,467</u>

The following is a schedule by years of the total payments due as of September 30, 2022:

Tunica Airport Commission

<u>Year Ending September 30</u>	<u>Principal</u>
2023	\$ 2,262
2024	2,262
2025	<u>943</u>
Total	<u>\$ 5,467</u>

As Lessor:

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

Remaining amounts to be received associated with this lease are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 313,231	132,722
2024	322,759	123,194
2025	332,576	113,377
2026	342,691	103,262
2027	353,115	92,838
2028 - 2032	1,933,362	296,403
2033 - 2035	<u>969,109</u>	<u>34,285</u>
Total	<u>\$ 4,566,843</u>	<u>896,081</u>

TUNICA COUNTY

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

(11) Short-term Debt and Liquidity.

The following is a summary of short-term debt activity for the year ended September 30, 2022:

Tunica County:

Short-term debt that was reported in prior years for Tunica County was removed from the financial statements in fiscal year 2022 as negotiations for the sale of certain property did not occur rendering the promissory note null and void.

Tunica County Airport Commission

Description of Debt	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022
Insurance Premium Financing Loan Installment Loan	\$ 33,838	48,533	48,338	-	34,033
Total	\$ 33,838	48,533	48,338	-	34,033

The Commission entered into an insurance financing loan payable in monthly installments of \$5,061, including interest at 8.00%, maturing May, 2023.

TUNICA COUNTY

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

(12) Long-term Debt.

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

Tunica County

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Airport Improvement Bond, Series 2005	\$ 530,000	3.60-5.125%	05/2025
Special Obligation Bonds, Series 2010A	1,900,000	2.60-6.25%	06/2030
Special Obligation Bonds, Series 2010B	795,000	3.00-4.50%	06/2030
Special Obligation Bonds, Series 2010	1,770,000	3.00-4.00%	12/2023
General Obligation Refunding Bonds, Series 2012	535,000	1.125-2.00%	09/2023
General Obligation Refunding Bonds, Series 2013	<u>1,515,000</u>	2.00-3.00%	07/2026
Total General Obligation Bonds	<u>\$ 7,045,000</u>		
B. Limited Obligation Bonds:			
Urban Renewal Revenue Bonds	<u>\$ 13,995,000</u>	6.00%	10/2040
Total Limited Obligation Bonds	<u>\$ 13,995,000</u>		
C. Other Loans:			
Capital Projects Promissory Note	\$ 552,431	Variable	05/2030
MS Green Tech Loan	1,097,258	3.44%	01/2032
CAP Loan - \$1.26M - Feuer Project	1,192,254	3.00%	06/2034
CAP Loan - \$5M - Feuer Project	4,566,926	3.00%	06/2034
Shortfall Note	<u>1,392,433</u>	4.50%	06/2023
Total Other Loans	<u>\$ 8,801,302</u>		
D. Financed Purchases:			
Tri-Max S2 400 Mower	\$ 26,375	2.98%	04/2025
2021 Club Cars Tempo Electric	220,476	3.09%	04/2026
E-One Custom Typhoon Rescue	443,395	2.65%	11/2028
Turfco Wide Spin 1550 and Blower	<u>34,366</u>	2.55%	05/2025
Total Financed Purchases	<u>\$ 724,612</u>		

TUNICA COUNTY

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

Tunica County Utility District

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
Utility System Refunding	\$ 870,000	Variable	02/2024
Total General Obligation Bonds	\$ 870,000		
B. Other Loans:			
MDEQ SRF Loan (01-3)	\$ 378,439	1.75%	05/2025
MDEQ SRF Loan (02-2)	84,400	1.75%	05/2034
USDA Loan	625,502	1.88%	09/2051
BOH Loan	325,538	1.95%	10/2036
BOH Loan #2	403,504	1.95%	02/2037
Building Loan	127,614	5.65%	09/2024
Truck Note #2	40,765	3.65%	07/2024
Total Other Loans	\$ 1,985,762		

Tunica County Airport Commission

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. Other Loans			
MDA Airport Revitalization Loan	\$ 287,755	3.00%	08/2030
Total Other Loans	\$ 287,755		

Tunica County Public Projects, Inc.

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. Other Loans			
Equipment Loan	\$ 28,584	5.00%	07/2023
Total Other Loans	\$ 28,584		
B. Financed purchases:			
Equipment	\$ 30,490	0.00%	06/2025
Total Financed purchases	\$ 30,490		

TUNICA COUNTY

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

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

Tunica County

Governmental Activities:

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>		<u>Limited Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,215,000	280,524	415,000	863,100
2024	1,745,000	202,398	435,000	839,700
2025	880,000	150,648	465,000	814,800
2026	720,000	114,523	490,000	788,700
2027	340,000	84,598	520,000	760,800
2028 - 2032	1,145,000	133,688	3,105,000	3,325,800
2033 - 2037			4,165,000	2,334,000
2038 - 2041			4,400,000	930,300
Total	<u>\$ 7,045,000</u>	<u>966,379</u>	<u>13,995,000</u>	<u>10,657,200</u>

<u>Year Ending September 30</u>	<u>Other Loans</u>		<u>Financed Purchases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,948,875	279,703	\$ 140,161	19,114
2024	564,985	199,993	144,191	15,084
2025	580,412	182,402	139,427	10,974
2026	596,321	164,259	100,831	7,364
2027	612,727	145,542	64,932	5,300
2028 - 2032	3,172,506	431,784	135,070	5,392
2033 - 2034	1,325,476	39,305		
Total	<u>\$ 8,801,302</u>	<u>1,442,988</u>	<u>\$ 724,612</u>	<u>63,228</u>

TUNICA COUNTY

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

Tunica County Utility District

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 430,000	29,475
2024	<u>440,000</u>	<u>9,900</u>
Total	\$ <u>870,000</u>	<u>39,375</u>

<u>Year Ending September 30</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 232,736	34,695
2024	234,393	33,651
2025	171,231	29,229
2026	76,395	27,058
2027	78,605	25,526
2028 - 2032	418,307	101,853
2033 - 2037	400,110	55,329
2038 - 2042	145,508	27,349
2043 - 2047	124,764	16,106
2048 - 2051	<u>103,713</u>	<u>4,047</u>
Total	\$ <u>1,985,762</u>	<u>354,843</u>

Tunica County Airport Commission

<u>Year Ending September 30</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 32,360	8,633
2024	33,331	7,662
2025	34,331	6,662
2026	35,361	5,632
2027	36,421	4,571
2028 - 2030	<u>115,951</u>	<u>7,026</u>
Total	\$ <u>287,755</u>	<u>40,186</u>

TUNICA COUNTY

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

Tunica County Public Projects, Inc.

Year Ending September 30	Other Loans		Financed Purchases	
	Principal	Interest	Principal	Interest
2023	\$ 28,584	658	\$ 10,620	
2024			10,620	
2025			9,250	
Total	\$ 28,584	658	30,490	

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% 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 3.42% percent of the latest property assessments.

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

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 408,578	275,500			684,078	
General obligation bonds	9,175,000		2,130,000		7,045,000	2,215,000
Less:						
Discounts	(39,579)		(9,912)		(29,667)	
Add:						
Premiums	211,423		56,384		155,039	
Limited obligation bonds	14,385,000		390,000		13,995,000	415,000
Less:						
Discounts	(249,106)		(19,297)		(229,809)	
Financed purchases		481,895	101,875	344,592	724,612	140,161
Capital leases	344,592			(344,592)		
Leases payable		948,698	312,800		635,898	324,887
Other loans	10,654,095	25,084	1,877,877		8,801,302	1,948,875
Total	\$ 34,890,003	1,731,177	4,839,727		31,781,453	5,043,923

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

TUNICA COUNTY

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

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Tunica County Utility District						
General Obligation bonds	\$ 1,275,000		405,000		870,000	430,000
Other loans	<u>2,232,619</u>		<u>246,857</u>		<u>1,985,762</u>	<u>232,736</u>
Total	<u>\$ 3,507,619</u>		<u>651,857</u>		<u>2,855,762</u>	<u>662,736</u>

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Tunica County Airport Commission						
MDA Airport Revitalization Loan	\$ 319,172		31,417		287,755	32,360
Compensated absences		12,372			12,372	
Leases payable		<u>7,164</u>	<u>1,697</u>		<u>5,467</u>	<u>2,262</u>
Total	<u>\$ 319,172</u>	<u>19,536</u>	<u>33,114</u>		<u>305,594</u>	<u>34,622</u>

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Tunica County Public Projects, Inc.						
Other loans	\$ 61,352		32,768		28,584	28,584
Capital leases	38,940			(38,940)		
Financed purchases			<u>8,450</u>	<u>38,940</u>	<u>30,490</u>	<u>10,620</u>
Total	<u>\$ 100,292</u>		<u>41,218</u>		<u>59,074</u>	<u>39,204</u>

(13) Defined Benefit Pension Plan.

General Information about the Pension Plan

Plan Description. Tunica County, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members

TUNICA COUNTY

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

and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by *Mississippi Code of 1972 Annotated Section 25-11-1 et seq.* and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

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

Contributions. At September 30, 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, 2022 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 years ending September 30, 2022, 2021 and 2020 were \$1,632,379, \$1,390,698 and \$1,742,046, 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 \$26,429,386 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 .1284 percent, which was based on a measurement date of June 30, 2022. This was an increase of .0057 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 \$324,671. At September 30, 2022 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TUNICA COUNTY

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 382,061	-
Net difference between projected and actual earnings on pension plan investments	1,813,635	-
Changes of assumptions	873,298	-
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	619,863	3,895,844
County contributions subsequent to the measurement date	423,454	-
Total	\$ <u>4,112,311</u>	<u>3,895,844</u>

\$423,454 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	Amount
2023	\$ (991,395)
2024	(675,281)
2025	25,562
2026	1,434,127
Total	\$ <u>(206,987)</u>

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 for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for 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 from July 1, 2016 to June 30, 2020. The

TUNICA COUNTY

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

experience report is dated April 20, 2021.

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

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 total pension liability.

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

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 34,493,056	26,429,386	19,781,312

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

DEFINED BENEFIT PENSION PLAN – COMPONENT UNITS

Tunica County Airport Commission

Plan Description. The Airport Commission contributes to the Public Employees' Retirement System of

TUNICA COUNTY

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

Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The Airport Commission's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021 and 2020 were \$45,767, \$40,230 and \$44,911, 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 Airport Commission reported a liability of \$782,177 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 Airport Commission's proportion of the net pension liability was based on a projection of the Airport Commission's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Airport Commission's proportion was 0.003829 percent, which was an increase of 0.0007 percent from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Airport Commission recognized pension expense of (\$4,720). At September 30, 2022, the Airport Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,734	
Net difference between projected and actual earnings on pension plan investments	73,197	
Changes of assumptions	22,105	
Changes in the proportion and differences between contributions and proportionate share of contributions	75,183	147,635
Contributions subsequent to the measurement date	11,414	
Total	\$ 192,633	147,635

\$11,414 reported as deferred outflows of resources related to pension resulting from Airport Commission 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:	Amount
2023	(26,095)
2024	(5,748)
2025	22,985
2026	42,442
	33,584

Sensitivity to the Entity's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Airport Commission's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the Airport Commission's proportionate share of

TUNICA COUNTY

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

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	Current Discount Rate	1% Increase
Entity's proportionate share of the net pension liability	\$ 1,020,823	782,177	585,428

Tunica County Tourism Commission

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

Contributions. The Tourism Commission's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021 and 2020 were \$93,497, \$97,275 and \$101,065, 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 Tourism Commission reported a liability of \$1,584,940 for its proportionate share of the net pension liability. At June 30, 2022, the Tourism Commission's proportion was 0.0077 percent, which was an decrease of 0.00100 percent from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Tourism Commission recognized pension expense of \$48,362. At September 30, 2022, the Tourism Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,684	
Net difference between projected and actual earnings on pension plan investments	48,869	
Changes of assumptions	61,936	
Changes in the proportion and differences between contributions and proportionate share of contributions		103,533
Contributions subsequent to the measurement date	23,532	
Total	\$ 158,021	103,533

\$23,532 reported as deferred outflows of resources related to pension resulting from Tourism Commission 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:

TUNICA COUNTY

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

Year Ending September 30:	Amount
2023	6,130
2024	(6,037)
2025	(55,140)
2026	86,003
	<u>30,956</u>

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

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Entity's proportionate share of the net pension liability	\$ 2,068,509	1,584,940	1,186,262

Tunica County Healthcare Authority

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

Contributions. The Authority's contributions (employer share only) to PERS for the years ending September 30, 2022 and 2021 were \$206,756 and \$169,975, 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 Authority reported a liability of \$3,454,346 for its proportionate share of the net pension liability. At June 30, 2022, the Authority's proportion was 0.0168 percent, which was an increase of 0.0059 percent from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Authority recognized pension expense of \$535,544. At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TUNICA COUNTY

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,924	
Net difference between projected and actual earnings on pension plan investments	317,374	
Changes of assumptions	77,356	
Changes in the proportion and differences between contributions and proportionate share of contributions	639,984	2,288
Contributions subsequent to the measurement date	50,708	
Total	\$ 1,122,346	2,288

\$50,708 reported as deferred outflows of resources related to pension resulting from Authority 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:	Amount
2023	333,039
2024	327,536
2025	221,333
2026	187,442
	1,069,350

Sensitivity to the Entity's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the Authority'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	Current Discount Rate	1% Increase
Entity's proportionate share of the net pension liability	\$ 4,508,275	3,454,346	2,585,436

(14) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2022:

TUNICA COUNTY

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

<u>Fund</u>	<u>Deficit Amount</u>
Unemployment Trust	\$ (32,182)
Volunteer Fire Protection	(19,458)
North Tunica Fire Grading District	(590,392)
Homeland Security	(30,684)
Agricultural Research	(2,835)
Community College Enlargement	(553)

(15) Contingencies.

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

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

(16) No Commitment Debt (Not Included in Financial Statements).

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

<u>Description</u>	<u>Balance at Sept. 30, 2022</u>
Tax increment financing bonds	\$ <u>850,000</u>

(17) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$11,042,961) 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 \$423,454 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 \$3,688,857 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 \$3,895,844 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.

TUNICA COUNTY

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

The governmental activities' unrestricted net position amount of (\$11,042,961) includes the effect of recognition of deferring the recognition of revenue resulting from capital leases receivable. The \$896,081 balance of deferred inflows of resources at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position over the next 12 years.

The governmental activities' net investment in capital assets net position of \$91,672,448 includes the effect of deferring the recognition of expenses resulting from the advance refunding of County debt in the amount of \$100,841. The expense will be recognized over the next 2 years and will decrease the governmental activities' unrestricted net position.

(18) Joint Ventures.

The County is a participant along with DeSoto, Lafayette, Panola and Tate counties in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the First Regional Library. The joint venture was created to provide free library service to the citizens of the respective counties. First Regional Library is governed by a five-member board appointed by the Board of Supervisors of the participating counties, one from each county. Each county appropriates annually as determined by each Board of Supervisors for the ongoing support of the First Regional Library. Tunica County, Mississippi's appropriations to the joint venture for the year ended September 30, 2022, were \$256,109. Complete financial statements for the First Regional Library can be obtained from the library's website, firstregional.org.

(19) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica. The Tunica County Board of Supervisors appoints two of the thirty members of the Board of Directors. The County appropriated \$15,000 for the support of the district in fiscal year 2022.

Yazoo-Mississippi Water Management District operates in a district composed of the counties of Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Tunica County Board of Supervisors appoints one of the twenty-one members of the Board of Commissioners. The County levied \$122,236 in taxes for the maintenance and support in fiscal year 2022.

Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The Tunica County Board of Supervisors appoints two of the twenty-three members of the College Board of Trustees. The County levied \$172,589 in taxes for maintenance and support and \$58,135 in taxes for college enlargement in fiscal year 2022.

Coahoma Community College operates in a district composed of the counties of Bolivar, Coahoma, Quitman, Tallahatchie and Tunica. The Tunica County Board of Supervisors appoints one of the twelve members of the College Board of Trustees. The County levied \$172,589 in taxes for the maintenance and support and \$58,135 in taxes for college enlargement in fiscal year 2022.

The Region One Mental Health Center operates in a district composed of the counties of Coahoma, Quitman, Tallahatchie and Tunica. The Tunica County Board of Supervisors appoints one of the four members of the Board of Commissioners. The County appropriated \$50,000 for support of the Center in fiscal year 2022.

TUNICA COUNTY

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

(20) Tax Abatements.

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

The Tunica County Board Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with two entities as of September 30, 2022.

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

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

Category	Fiscal Year 2022	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacement	100.00%	\$ 711,388

(21) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of Tunica County evaluated the activity of the County through June 15, 2023 and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

TUNICA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 5,084,421	4,794,436	4,794,436	
Licenses, commissions and other revenue	500,000	1,056,576	1,056,576	
Fines and forfeitures	150,000	178,033	178,033	
Intergovernmental revenues	12,875,011	18,833,210	18,833,210	
Charges for services	105,000	550,826	550,826	
Interest income	30,000	49,180	49,180	
Miscellaneous revenues	785,995	2,525,616	2,525,616	
Total Revenues	<u>19,530,427</u>	<u>27,987,877</u>	<u>27,987,877</u>	
EXPENDITURES				
Current:				
General government	6,479,656	8,253,956	8,253,956	
Public safety	8,007,346	8,105,252	8,105,252	
Public works	595,050	788,761	788,761	
Health and welfare	494,026	2,257,605	2,257,605	
Culture and recreation	2,192,703	2,444,273	2,444,273	
Conservation of natural resources	204,350	306,625	306,625	
Economic development and assistance	615,000	117,417	117,417	
Debt service:				
Principal	700,000	1,142,170	1,142,170	
Interest	211,869	962,141	962,141	
Total Expenditures	<u>19,500,000</u>	<u>24,378,200</u>	<u>24,378,200</u>	
Excess of Revenues over (under) Expenditures	<u>30,427</u>	<u>3,609,677</u>	<u>3,609,677</u>	
OTHER FINANCING SOURCES (USES)				
Transfers out	(184,421)	(1,587,231)	(1,587,231)	
Other financing sources		250,567	250,567	
Total Other Financing Sources and Uses	<u>(184,421)</u>	<u>(1,336,664)</u>	<u>(1,336,664)</u>	
Net Change in Fund Balance	(153,994)	2,273,013	2,273,013	
Fund Balances - Beginning	<u>(2,326,100)</u>	<u>10,053,014</u>	<u>10,053,014</u>	
Fund Balances - Ending	<u>\$ (2,480,094)</u>	<u>12,326,027</u>	<u>12,326,027</u>	

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Road and bridge privilege taxes	\$ 115,000	116,574	116,574	
Intergovernmental revenues	2,042,046	2,841,518	2,841,518	
Charges for services		527,071	527,071	
Interest income	12,000	26,236	26,236	
Miscellaneous revenues	77,000	990	990	
Total Revenues	<u>2,246,046</u>	<u>3,512,389</u>	<u>3,512,389</u>	
EXPENDITURES				
Current:				
Public works	<u>7,225,482</u>	<u>4,617,852</u>	<u>4,617,852</u>	
Total Expenditures	<u>7,225,482</u>	<u>4,617,852</u>	<u>4,617,852</u>	
Excess of Revenues over (under) Expenditures	<u>(4,979,436)</u>	<u>(1,105,463)</u>	<u>(1,105,463)</u>	
OTHER FINANCING SOURCES (USES)				
Transfers in		1,040,444	1,040,444	
Other financing sources	<u>50,000</u>			
Total Other Financing Sources and Uses	<u>50,000</u>	<u>1,040,444</u>	<u>1,040,444</u>	
Net Change in Fund Balance	<u>(4,929,436)</u>	<u>(65,019)</u>	<u>(65,019)</u>	
Fund Balances - Beginning	<u>(2,065,224)</u>	<u>6,781,637</u>	<u>6,781,637</u>	
Fund Balances - Ending	<u>\$ (6,994,660)</u>	<u>6,716,618</u>	<u>6,716,618</u>	

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

TUNICA COUNTY
Schedule of the County's and Component Units' Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

Tunica County	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.1284%	0.1227%	0.1602%	0.1713%	0.1722%	0.1701%	0.1633%	0.1696%	0.1835%
County's proportionate share of the net pension liability (asset)	\$ 26,429,386	18,131,155	31,012,852	30,135,043	28,641,976	28,276,396	29,169,456	26,216,815	22,273,540
Covered payroll	\$ 8,842,796	8,155,733	10,666,834	11,153,344	10,993,702	10,911,911	10,454,952	10,593,670	11,214,883
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.88%	222.31%	290.74%	270.19%	260.53%	259.13%	279.00%	247.48%	198.61%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%
COMPONENT UNITS									
Tunica County Airport Commission									
Commission's proportion of the net pension liability (asset)	0.003829%	0.003105%	0.004468%	0.005088%	0.005491%	0.005857%	0.005993%	0.008677%	0.009502%
Commission's proportionate share of the net pension liability (asset)	\$ 782,177	458,932	864,953	895,080	913,321	973,632	1,070,496	1,341,293	1,153,369
Covered payroll	\$ 263,569	206,460	297,534	331,358	350,660	375,748	383,398	542,089	580,644
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	296.76%	222.29%	290.71%	270.12%	260.46%	259.12%	279.21%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%
Tunica County Tourism Commission									
Commission's proportion of the net pension liability (asset)	0.0077%	0.0087%	0.0086%	0.0087%	0.0101%	0.0103%	0.0099%	0.0105%	
Commission's proportionate share of the net pension liability (asset)	\$ 1,584,940	1,285,898	1,664,859	1,530,502	1,679,930	1,712,210	1,768,387	1,623,093	
Covered payroll	\$ 537,337	559,049	575,450	566,233	642,960	662,146	634,327	655,626	
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	294.96%	230.02%	289.31%	270.30%	261.28%	258.58%	278.78%	247.56%	
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	
Tunica County Healthcare Authority									
Authority's proportion of the net pension liability (asset)	0.0168%	0.0109%							
Authority's proportionate share of the net pension liability (asset)	\$ 3,454,346	1,606,042							
Covered payroll	\$ 1,151,244	722,450							
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	300.05%	222.30%							
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%							

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

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

TUNICA COUNTY
Schedule of County and Component Unit Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

Tunica County

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,632,379	1,390,698	1,742,046	1,793,408	1,767,306	1,682,081	1,650,222	1,658,337
Contributions in relation to the contractually required contribution	<u>1,632,379</u>	<u>1,390,698</u>	<u>1,742,046</u>	<u>1,793,408</u>	<u>1,767,306</u>	<u>1,682,081</u>	<u>1,650,222</u>	<u>1,658,337</u>
Contribution deficiency (excess)	\$ <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Covered payroll	\$ 9,381,485	7,992,507	10,011,869	11,102,644	11,220,989	10,679,878	10,477,603	10,529,115
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

COMPONENT UNITS

Tunica County Airport Commission

Contractually required contribution	\$ 45,767	40,230	44,911	54,194	53,619	58,848	59,801	76,852
Contributions in relation to the contractually required contribution	<u>45,767</u>	<u>40,230</u>	<u>44,911</u>	<u>54,194</u>	<u>53,619</u>	<u>58,848</u>	<u>59,801</u>	<u>76,852</u>
Contribution deficiency (excess)	\$ <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Covered payroll	\$ 263,031	231,204	258,109	335,620	340,438	373,638	379,689	487,949
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

Tunica County Tourism Commission

Contractually required contribution	\$ 93,497	97,275	101,065	91,063	98,551	103,399	100,854	100,238
Contributions in relation to the contractually required contribution	<u>93,497</u>	<u>97,275</u>	<u>101,065</u>	<u>91,063</u>	<u>98,551</u>	<u>103,399</u>	<u>100,854</u>	<u>100,238</u>
Contribution deficiency (excess)	\$ <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Covered payroll	\$ 537,337	559,049	580,832	563,549	625,722	656,501	640,341	636,430
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.16%	15.75%	15.75%	15.75%	15.75%

Tunica County Healthcare Authority

Contractually required contribution	\$ 206,756	169,975
Contributions in relation to the contractually required contribution	<u>206,756</u>	<u>169,975</u>
Contribution deficiency (excess)	\$ <u> </u>	<u> </u>
Covered payroll	\$ 1,188,251	976,869
Contributions as a percentage of covered payroll	17.40%	17.40%

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

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

TUNICA COUNTY

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

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>Road Maintenance Fund</u>
Budget (Cash Basis)	\$ 2,273,013	(65,019)
Increase (Decrease)		
Net adjustments for revenue accruals	319,704	36,511
Net adjustments for expenditure accruals	<u>(495,817)</u>	<u>(17,201)</u>
GAAP Basis	<u>\$ 2,096,900</u>	<u>(45,709)</u>

TUNICA COUNTY

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

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

The price inflation and investment rate of return assumptions were changed from 3.50% 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 assumptions was reduced from 3.75% to 3.25%.

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 6.00% to 7.00%.

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.

TUNICA COUNTY

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

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

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

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

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

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.

For females, 84% of female rates up to age 72, 100% for ages above 76.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 134% of male rates at all ages.

For females, 121% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

TUNICA COUNTY

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

B. Changes in benefit provisions.

2016

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

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

TUNICA COUNTY

OTHER INFORMATION

TUNICA COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2022
"Unaudited"

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

TUNICA COUNTY

SPECIAL REPORTS



DAVID I. BRIDGERS, JR., CPA
L. KARL GOODMAN, CPA, MBA
WILLIAM F. BAIRD, CPA
EUGENE S. CLARKE, IV, CPA
DAVID E. CLARKE, CPA

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416
FAX: (601) 636-1417

MEMBERS OF
MISSISSIPPI SOCIETY OF CPAs
AMERICAN INSTITUTE OF CPAs
GOVERNMENT AUDIT QUALITY
CENTER

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

Members of the Board of Supervisors
Tunica County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tunica County, Mississippi (the County), as of and for the year ended September 30, 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 June 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tunica County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Tunica County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated June 15, 2023, included within this document.

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
June 15, 2023



DAVID I. BRIDGERS, JR., CPA
L. KARL GOODMAN, CPA, MBA
WILLIAM F. BAIRD, CPA
EUGENE S. CLARKE, IV, CPA
DAVID E. CLARKE, CPA

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416
FAX: (601) 636-1417

MEMBERS OF
MISSISSIPPI SOCIETY OF CPAs
AMERICAN INSTITUTE OF CPAs
GOVERNMENT AUDIT QUALITY
CENTER

INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES
(REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE OF 1972 ANNOTATED)

Members of the Board of Supervisors
Tunica County, Mississippi

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

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

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

In our opinion, Tunica County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2022.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
June 15, 2023

TUNICA COUNTY

Schedule 1Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2022

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
1/27/2022	Bobcat attachments	\$ 8,385	Skid Pro Attachments	7,543 (from Bobcat)	Needed equipment available, lowest quote would have been 8-12 weeks. Also considered an emergency purchase by board due to expected weather problems.
2/2/2022	Off Road Diesel	\$ 7,197	Gresham	Wade Petroleum	Lower quote could not deliver for 2 days. Winter weather was due in before that.
4/8/2022	Shop door	\$ 8,743	Overhead Door	\$ 8,245 (from Dillard Door & Entrance Control)	Door needed at road shop (damaged by tornado) for security, lowest quote could not deliver for 4-6 weeks.

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
12/13/2021	repairs	\$ 14,241	DeSoto County Electric	Traffic signal at Casino strip and Casino Way damaged by storm
4/27/2022	repairs	\$ 155,000	McBride	Critical transit road for harvest
6/1/2022	rental a/c	\$ 36,673	Ewing Kessler	A/C at airport broke down
8/8/2022	repairs	\$ 20,234	DeSoto County Electric	Traffic signal at Old Hwy 61 and Casino Strip struck by vehicle

TUNICA COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2022

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
1/13/2022	Software	\$ 9,500	Critical Response Group



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MEMBERS OF
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AMERICAN INSTITUTE OF CPAs
GOVERNMENT AUDIT QUALITY
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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Tunica County, Mississippi

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

In addition, for areas not considered material to Tunica County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated June 15, 2023, on the financial statements of Tunica County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with *Section 7-7-211, 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.

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

Board of Supervisors

1. County signed warrants without sufficient money.

Repeat Finding No.

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

Condition Warrants were issued on funds that did not have sufficient money to pay the warrants. As of September 30, 2022, the following funds had deficit cash balances:

Unemployment Trust \$32,182
Volunteer Fire Protection \$19,458
North Tunica Fire Grading District \$590,392
Homeland Security \$30,684
Agricultural Research \$2,835

Community College Enlargement \$553

Cause	The County has failed to establish and maintain an adequate internal control system to ensure that expenditures are not incurred in funds for which money is not available and that warrants are only issued when there is sufficient money in the funds upon which they are drawn in compliance with state law.
Effect	Failure to have sufficient cash balances in County funds prior to the signing and delivery of warrants on these funds resulted in the use of the cash balances of other funds for purposes other than the intended purpose.
Recommendation	The Board of Supervisors should ensure that no warrants are signed or delivered until there is sufficient money in the fund upon which it is drawn to pay the same, as required by law.
Response	The Board of Supervisors and Chancery Clerk will establish internal controls for all fund balances which includes monitoring and analyzing the balance of each fund before the claim docket is produced to ensure enough revenue is available to pay all warrants. This process will prevent deficient spending. The above warrants mentioned were paid from General Fund.

Board of Supervisors, Chancery Clerk, Circuit Clerk, and Tax Collector/Assessor

2.	<u>Public Officials Should Ensure Compliance with State Law over Depositories</u>
Repeat Finding	No
Criteria	<i>Section 27-105-371, Mississippi Code Annotated (1972), states, "All county officials who receive funds under the authority of their office shall deposit such funds into a county depository...."</i>
Condition	<p>During the course of our audit we noted that the Board of Supervisors approved First Security Bank as the depository on January 27, 2022, but we also noted that the following accounts were held at banks other than the approved county depository as of September 30, 2022:</p> <ul style="list-style-type: none">• Citizens Bank & Trust Co.<ul style="list-style-type: none">○ Chancery Clerk Land Redemption Account○ Tax Assessor & Collector Account• Planters Bank<ul style="list-style-type: none">○ Circuit Clerk Criminal Account○ Circuit Clerk Civil Account○ Circuit Clerk Fee Account
Cause	Public officials are maintaining public depositor accounts at institutions other than the one approved by the Board as the county depository.
Effect	Maintaining bank accounts at financial institutions other than the depository approved by the Board of Supervisors could result in the loss of public funds.
Recommendation	We recommend that either the Board of Supervisors approves multiple institutions as the county's depositories or that public officials maintain all accounts at the depository approved by the Board.
Response	The Board of Supervisors will approve multiple institutions as the county's depositories to address all accounts maintained by public officials.

Payroll Clerk

3. Re-Hired Retirees were not paid in compliance with the Form 4Bs filed with the Mississippi Public Employees Retirement System.

Repeat Finding Yes. 2021

Criteria *Section 25-1-127, Mississippi Code Annotated (1972)* provides that as a PERS retiree, a PERS Form 4B "Certification/Acknowledgement of Reemployment of Retiree" must be filed within 5 days of employment. If an employee decides to return to employment with a covered employer after they retire, the employee and the employer must notify PERS in writing within five days of the reemployment date and provide the conditions under which he/she is being reemployed. Notification must be repeated each new fiscal year of post-retirement employment.

Condition During the course of the audit, we noted one (1) retiree was paid in excess of the allowed salary as reported on the filed Form 4B.

Cause The County did not comply with Section 25-11-127, Mississippi Code Annotated (1972).

Effect The failure to comply with the reemployment conditions as reported on PERS Form 4B could jeopardize the provisions for reemployment.

Recommendation The County should timely and accurately file PERS Form 4Bs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.

Response The Board of Supervisors will ensure that the Payroll Clerk will monitor and ensure timely and accurately filing of PERS Forms 4Bs for all rehired retirees and all statutory conditions for re-employment are met.

Planning Commission

4. The Planning Commission has inadequate internal control over collections.

Repeat Finding Yes. 2021

Criteria A properly designed and implemented system of internal controls should require that all those employees performing collection duties for an entity or department use a cash drawer. Furthermore, the entity should seed the drawer with an appropriate amount of cash to make change.

Condition During the course of our testing, we noted that there is no established cash drawer and no money for use to make change when necessary for collections.

Cause The entity or department has not established adequate controls over the cash collection process.

Effect Inadequate controls surrounding revenue collections could result in loss or misappropriation of assets and improper revenue recognition.

Recommendation The Planning Commission should implement an effective system of internal controls over the revenue collection process including the establishment of cash drawers for use by the clerk.

Response The Board of Supervisors and Planning Commission has implemented an effective system of internal controls that includes a cash drawer for revenue collection and a process of daily reconciliation. The Board of Supervisors will provide petty cash to effectively process collections and daily reconciliations.

Circuit Clerk

5. Circuit Clerk Should Ensure Compliance with State Law over Expenses Claimed.

Repeat Finding No

Criteria *Section 9-1-43(3), Mississippi Code Annotated (1972), further states, “(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees’ Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk’s or circuit clerk’s services in excess of Ninety-seven Thousand Dollars (\$97,000.00).”*

Condition The Circuit Clerk did not maintain proper supporting documentation to support all expenses claimed.

During the course of our audit, we noted that no supporting documentation was provided for the following expenses claimed:

- Dollar General for \$12.84
- EIG * Just Host.com for \$539.64
- Family Dollar for \$8.56
- Jeffcoat’s Family for \$4.14
- Kwik Shop for \$95.89

We also noted that one item claimed was not an allowable expense:

- Beau Rivage for \$70.00

Cause The Circuit Clerk did not maintain the necessary documentation to support that all expenses claimed were Schedule C deductions. The Circuit Clerk claimed an expense that is not allowable.

Effect Failure to maintain all necessary supporting documentation for expenses and claiming expenses that are not allowable could result in the loss or misappropriation of public funds.

Recommendation The Circuit Clerk should maintain support for all expenses claimed on the AFR and the Clerk should only claim expenses allowable under Schedule C.

Response The Circuit Clerk will provide supporting documents for maintaining support for all expenses claimed on the AFR and that the Clerk will only claim expenses allowable under Schedule C.
The Circuit Clerk will reimburse for the item claimed that is not allowable under Schedule C. The Circuit Clerk will maintain documentation for any allowable future expense to be claimed on the AFR.

Board of Supervisors and Purchase Clerk

6. Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.

Repeat Finding No

Criteria The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Titles 31 and 37.

Condition	<p>The County failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37. A well-designed purchasing system would comply with the provisions of Titles 31 and 37 and would include proper bid requirements as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> • One (1) instance where the Board approved a proposal where a second quote was not obtained from another vendor for an expenditure of greater than \$5,000
Cause	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Effect	The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Recommendation	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Response	Corrected.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
 Certified Public Accountants
 Vicksburg, Mississippi
 June 15, 2023

TUNICA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

TUNICA 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 auditor's report issued on the financial statements:

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

Section 2: Financial Statement Findings

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