



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR**

**PHIL BRYANT
State Auditor**

**RODNEY D. ZEAGLER, CPA
Director, Financial and Compliance Audit Division**

CLAIBORNE COUNTY, MISSISSIPPI

**Audited Primary Government Financial Statements and Special Reports
For the Year Ended September 30, 2003**

CLAIBORNE COUNTY

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CLAIBORNE COUNTY

FINANCIAL SECTION

CLAIBORNE COUNTY

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT ON THE PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Members of the Board of Supervisors
Claiborne County, Mississippi

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Claiborne County, Mississippi, as of and for the year ended September 30, 2003, which collectively comprise the basic financial statements of the county's primary government as listed in the table of contents. These financial statements are the responsibility of the county's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has neither maintained adequate records documenting fines receivable of the Circuit Court nor adopted procedures for reviewing the collectibility of these fines. Accounting principles generally accepted in the United States of America require that fines receivable be recorded and an adequate allowance be provided for uncollectible receivables, which would increase the assets and change the revenues in the governmental activities and the General Fund. The amount by which this departure would affect the assets and revenues of the governmental activities and the General Fund is not reasonably determinable.

The financial statements referred to above include only the primary government of Claiborne County, Mississippi, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise the county's legal entity. The financial statements do not include financial data for the county's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the county's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Claiborne County, Mississippi, as of September 30, 2003, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, except for the effects of not recording fines receivables, net of allowance for uncollectibles, of the Circuit Court for the governmental activities and the General Fund as described in the third paragraph, the primary government financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Claiborne County, Mississippi, as of September 30, 2003, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the primary government financial statements referred to above present fairly, in all material respects, the respective financial position of the Road Fund, Debt Service Fund and the aggregate remaining fund information of Claiborne County, Mississippi, as of September 30, 2003, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, Claiborne County, Mississippi, implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, effective October 1, 2002.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2004, on our consideration of Claiborne County, Mississippi's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

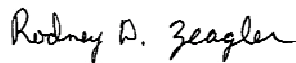
Claiborne County, Mississippi, has not presented Management's Discussion and Analysis that is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The Budgetary Comparison Schedule and corresponding notes on pages 30 through 33 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise Claiborne County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



PHIL BRYANT
State Auditor



RODNEY D. ZEAGLER, CPA
Director, Financial and Compliance Audit Division

April 5, 2004

CLAIBORNE COUNTY

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

CLAIBORNE COUNTY
Statement of Net Assets
September 30, 2003

Exhibit 1

	<u>Primary Government</u>
	<u>Governmental</u>
	<u>Activities</u>
ASSETS	
Cash	\$ 4,416,396
Accrued interest receivable	2,245
Property tax receivable	1,221,719
Fines receivable, (net of allowance for uncollectibles of \$595,470)	321,101
Loans receivable	535,000
Intergovernmental receivables	169,207
Other receivables	2,464
Capital assets, net	7,708,404
Total Assets	<u>14,376,536</u>
LIABILITIES	
Claims payable	264,522
Intergovernmental payables	57,919
Deferred revenue	1,221,719
Long-term liabilities	
Due within one year:	
Capital related debt	875,619
Non-capital debt	72,304
Due in more than one year:	
Capital related debt	3,664,003
Non-capital debt	495,624
Total Liabilities	<u>6,651,710</u>
NET ASSETS	
Invested in capital assets, net of related debt	3,168,782
Restricted net assets:	
Expendable:	
General government	35,340
Debt service	661,595
Public safety	237,191
Public works	1,645,537
Economic development	107,248
Other purposes	535,000
Unrestricted	1,334,133
Total Net Assets	<u>\$ 7,724,826</u>

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

CLAIBORNE COUNTY
Statement of Activities
For the Year Ended September 30, 2003

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Assets
					Primary Government
					Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 3,203,240	327,461	7,703	14,999	(2,853,077)
Public safety	1,939,136	97,640	198,652	14,807	(1,628,037)
Public works	2,463,938	159,030	495,649	130,793	(1,678,466)
Health and welfare	1,026,215		24,636	706,140	(295,439)
Culture and recreation	235,232				(235,232)
Education	498,400				(498,400)
Conservation of natural resources	82,284				(82,284)
Economic development and assistance	162,946		210,935	85,351	133,340
Interest on long-term debt	274,813				(274,813)
Total Governmental Activities	\$ <u>9,886,204</u>	<u>584,131</u>	<u>937,575</u>	<u>952,090</u>	<u>(7,412,408)</u>
General revenues:					
Property taxes				\$	1,735,316
Road & bridge privilege taxes					125,592
Grants and contributions not restricted to specific programs					4,640,993
Unrestricted investment income					110,169
Miscellaneous					73,697
Total General Revenues					<u>6,685,767</u>
Changes in Net Assets					<u>(726,641)</u>
Net Assets - Beginning, as restated					<u>8,451,467</u>
Net Assets - Ending				\$	<u>7,724,826</u>

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

CLAIBORNE COUNTY
Balance Sheet - Governmental Funds
September 30, 2003

Exhibit 3

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund	Debt Service Fund		
ASSETS					
Cash	\$ 1,745,013	1,033,937	651,070	986,376	4,416,396
Accrued interest receivable	931	556	587	171	2,245
Property tax receivable	643,443	231,376	230,900	116,000	1,221,719
Fines receivable, (net of allowance for uncollectibles of \$595,470)	321,101				321,101
Loans receivable	125,000			410,000	535,000
Intergovernmental receivables	56,279			112,928	169,207
Other receivables	2,464				2,464
Due from other funds		12,868	9,938	11,274	34,080
Total Assets	\$ 2,894,231	1,278,737	892,495	1,636,749	6,702,212
LIABILITIES AND FUND BALANCES					
Liabilities:					
Claims payable	\$ 131,728	28,889		103,905	264,522
Intergovernmental payables	51,956				51,956
Due to other funds	40,043				40,043
Deferred revenue	964,544	231,376	230,900	116,000	1,542,820
Total Liabilities	1,188,271	260,265	230,900	219,905	1,899,341
Fund balances:					
Reserved for:					
Debt Service Funds			661,595		661,595
Loans receivable	125,000			410,000	535,000
Unreserved, reported in:					
General Fund	1,580,960				1,580,960
Special Revenue Funds		1,018,472		1,006,844	2,025,316
Total Fund Balances	1,705,960	1,018,472	661,595	1,416,844	4,802,871
Total Liabilities and Fund Balances	\$ 2,894,231	1,278,737	892,495	1,636,749	6,702,212

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

CLAIBORNE COUNTY

Exhibit 3-1

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2003

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 4,802,871
Amounts reported for governmental services in the Statement of Net Assets 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 \$5,102,541.	7,708,404
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	321,101
Long-term liabilities are not due and payable in the current-period and, therefore, are not reported in the funds.	<u>(5,107,550)</u>
Total Net Assets - Governmental Activities	<u>\$ 7,724,826</u>

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

CLAIBORNE COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 For the Year Ended September 30, 2003

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund	Debt Service Fund		
REVENUES					
Property taxes	\$ 768,325	73,683	419,356	473,952	1,735,316
Road and bridge privilege taxes		125,592			125,592
Licenses, commissions and other revenue	267,360			6,880	274,240
Fines and forfeitures	70,260				70,260
Intergovernmental revenues	4,660,491	544,783	45,095	1,280,289	6,530,658
Charges for services	12,846			226,785	239,631
Interest income	42,884	28,199	27,138	11,948	110,169
Miscellaneous revenues	48,828	46		24,823	73,697
Total Revenues	5,870,994	772,303	491,589	2,024,677	9,159,563
EXPENDITURES					
Current:					
General government	3,206,458				3,206,458
Public safety	1,825,192			114,254	1,939,446
Public works		1,252,600		966,006	2,218,606
Health and welfare	323,384			702,831	1,026,215
Culture and recreation	219,190			11,308	230,498
Education			498,400		498,400
Conservation of natural resources	82,284				82,284
Economic development and assistance	59,039			103,907	162,946
Debt service:					
Principal	31,294	101,086	465,000		597,380
Interest	12,810	25,234	236,769		274,813
Total Expenditures	5,759,651	1,378,920	1,200,169	1,898,306	10,237,046
 Excess of Revenues over (under) Expenditures	 111,343	 (606,617)	 (708,580)	 126,371	 (1,077,483)

OTHER FINANCING SOURCES (USES)

Proceeds from sale of capital assets	552	17,879		18,431
Compensation for loss of capital assets	17,121			17,121
Transfers in	4,882		95	4,977
Transfers out	(90)		(4,887)	(4,977)
Total Other Financing Sources and Uses	<u>22,465</u>	<u>17,879</u>	<u>0</u>	<u>35,552</u>
Net Changes in Fund Balances	133,808	(588,738)	(708,580)	121,579
Fund Balances - Beginning, as restated	<u>1,572,152</u>	<u>1,607,210</u>	<u>1,370,175</u>	<u>1,295,265</u>
Fund Balances - Ending	<u>\$ 1,705,960</u>	<u>1,018,472</u>	<u>661,595</u>	<u>4,802,871</u>

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

CLAIBORNE COUNTY
 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, 2003

Exhibit 4-1

	Amount
Net Changes in Fund Balances - Governmental Funds	\$ (1,041,931)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>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 assets differs from the change in fund balances by the amount that depreciation of \$468,146 exceeded capital outlays of \$114,935 in the current period.</p>	(353,211)
<p>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 and loss from the sale of capital assets decreases financial resources. Thus, the change in net assets differs from the change in fund balances by the amount of the loss of \$29,120 and the proceeds from the sale of \$18,431 in the current period.</p>	(10,689)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Thus, the change in net assets differs from the change in fund balances by the amount of debt repayments.</p>	597,380
<p>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 assets differs from the change in fund balances by a combination of the following items:</p>	
The amount of reduction in compensated absences.	16
The amount of reduction in claims and judgments.	81,794
	(726,641)
Change in Net Assets of Governmental Activities	\$ (726,641)

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

CLAIBORNE COUNTY
Statement of Fiduciary Assets and Liabilities
September 30, 2003

Exhibit 5

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 138,210
Due from other funds	<u>5,963</u>
Total Assets	<u><u>\$ 144,173</u></u>
LIABILITIES	
Other accrued liabilities	\$ 5,559
Intergovernmental payables	<u>138,614</u>
Total Liabilities	<u><u>\$ 144,173</u></u>

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

CLAIBORNE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2003

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

Management has chosen to omit from these financial statements the following component unit which has a significant operational or financial relationship with the county. Accordingly, the financial statements do not include the data of this component unit necessary for reporting in conformity with accounting principles generally accepted in the United States of America.

- Claiborne County Hospital

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.

Blended Component Unit

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, these component units are reported as if they are part of the primary government. The Claiborne County Port Commission component unit's balances and transactions are blended with the balances and transactions of the primary government.

C. Basis of Presentation.

The county's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities and fund financial statements, which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information concerning the county as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

CLAIBORNE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2003

The Statement of Net Assets 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, 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, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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 sixty days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities is 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 all activities of the general government for which a separate fund has not been established.

Road Fund - Accounts for monies from specific revenue sources that are restricted for road maintenance.

Debt Service Fund - Accounts for resources accumulated and used for the payment of long-term debt principal, interest and related costs of borrowing used for road projects.

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

Additionally, the county reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

FIDUCIARY FUND TYPE

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the county, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

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 2001 by the Government Finance Officers Association and the *Mississippi County Financial Accounting Manual* as revised in 2002 by the Office of the State Auditor.

F. Deposits and Investments.

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

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

G. Receivables.

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

H. 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." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

I. Capital Assets.

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

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Claiborne County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the financial statements.

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.

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

* Leased property capitalization policy will correspond with the amounts for the asset classification, as listed above.

J. Long-term liabilities.

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Assets.

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

K. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - 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, constructions or improvements of those assets.

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

Unrestricted net assets - All other net assets not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is classified as reserved or unreserved.

Unreserved fund balance represents the amount available for budgeting future operations. Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

L. 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.

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

M. 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.

N. Compensated Absences.

The county has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires. Therefore, the county's full liability in the amount of \$171,768 for accumulated unpaid personal leave up to a maximum of 30 days per employee is reported as a liability in the Statement of Net Assets.

(2) Changes in Accounting Principles and Restatement of Fund Balance.

For the fiscal year ended September 30, 2003, the county implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB Statement No. 34, as amended by Statement No. 37, creates new basic financial statements for reporting on the county's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements prepared on the modified accrual basis of accounting, which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total on the fund financial statements as other Governmental Funds. Fund reclassifications and adjustments to the fund equities reported in the prior year financial statements were required as a result of the conversion to GASB Statement No. 34.

GASB Statement No. 38 requires certain note disclosures with the implementation of GASB Statement No. 34.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

The provisions of these new statements have been incorporated into the financial statements and the accompanying notes. The following table summarizes the reclassifications and adjustments to the fund equity amounts reported in the prior year financial statements:

	Sept. 30, 2002 As Previously Reported	Fund and Account Group Reclassifications	Prior Period Adjustments	Sept. 30, 2002 As Restated
Governmental Funds and Governmental Activities				
Major Funds:				
General	\$ 1,572,152			1,572,152
Road		1,607,210		1,607,210
Debt Service		1,370,175		1,370,175
Other Governmental Funds:				
Special Revenue	2,902,475	(1,607,210)		1,295,265
Debt Service	1,370,175	(1,370,175)		0
 Total Governmental Funds	 5,844,802	 0	 0	 5,844,802
Governmental Activities:				
Capital assets, net		11,068,872	(2,996,568)	8,072,304
Long-term liabilities		(5,786,740)		(5,786,740)
Fines receivable			321,101	321,101
Total Governmental Funds and Governmental Activities	<u>\$ 5,844,802</u>	<u>5,282,132</u>	<u>(2,675,467)</u>	<u>8,451,467</u>
Account Groups				
General Fixed Assets	\$ 11,068,872	(11,068,872)		0
General Long-term Debt	(5,786,740)	5,786,740		0
 Total Account Groups	 <u>\$ 5,282,132</u>	 <u>(5,282,132)</u>	 <u>0</u>	 <u>0</u>

(3) Deposits.

The carrying amount of the county's total deposits with financial institutions at September 30, 2003, was \$4,554,606, and the bank balance was \$4,951,267. 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, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2003:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road	General	\$ 12,868
Debt Service	General	9,938
Other Governmental Funds	General	11,274
Agency Funds	General	<u>5,963</u>
Total		<u>\$ 40,043</u>

The payables from General Fund represent the tax revenue collected but not settled until October 2003.

B. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 4,882
Other Governmental Funds	General Fund	90
Other Governmental Funds	Other Governmental Funds	<u>5</u>
Total		<u>\$ 4,977</u>

The principal purpose of interfund transfers was to close out accounts. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2003, consisted of the following:

<u>Description</u>	<u>Amount</u>
Legislative tag credit	\$ 56,279
HOME investment partnerships program grant	<u>112,928</u>
Total Governmental Activities	<u>\$ 169,207</u>

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

(6) Loans Receivable.

Loans receivable balances at September 30, 2003, are as follows:

Description	Date of Loan	Interest Rate	Maturity Date	Balance Payable
Hospital loan	07-06-01	0	N/A	\$ 60,000
Hospital loan	07-11-01	0	N/A	65,000
Port Gibson Apartments, LLC	03-13-01	Various	09-50	410,000
Total				<u>\$ 535,000</u>

(7) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2003:

	Balance Oct. 1, 2002	Additions	Deletions	Adjustments	Balance Sept. 30, 2003
<u>Non-depreciable capital assets:</u>					
Land	\$ 997,615			86,836	1,084,451
Total non-depreciable capital assets	<u>997,615</u>	<u>0</u>	<u>0</u>	<u>86,836</u>	<u>1,084,451</u>
<u>Depreciable capital assets:</u>					
Buildings	6,246,370	50,000		(197,880)	6,098,490
Improvements other than buildings				2,855,319	2,855,319
Mobile equipment	2,667,381	57,235	25,389	(660,232)	2,038,995
Furniture and equipment	449,276	7,700		(431,516)	25,460
Leased property under capital leases	708,230				708,230
Total depreciable capital assets	<u>10,071,257</u>	<u>114,935</u>	<u>25,389</u>	<u>1,565,691</u>	<u>11,726,494</u>
<u>Less accumulated depreciation for:</u>					
Buildings		122,871		1,741,933	1,864,804
Improvements other than buildings		114,212		1,950,237	2,064,449
Mobile equipment		144,505	14,700	806,309	936,114
Furniture and equipment		4,209		6,559	10,768
Leased property under capital leases		82,349		144,057	226,406
Total accumulated depreciation	<u>0</u>	<u>468,146</u>	<u>14,700</u>	<u>4,649,095</u>	<u>5,102,541</u>

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

	<u>Balance</u> <u>Oct. 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>Sept. 30, 2003</u>
Total depreciable capital assets, net	10,071,257	(353,211)	10,689	(3,083,404)	6,623,953
Governmental activities capital assets, net	\$ 11,068,872	(353,211)	10,689	(2,996,568)	7,708,404

Adjustments are the effect of implementing GASB 34.

Depreciation expense was charged to the following functions:

	<u>Amount</u>
General government	\$ 136,334
Public safety	81,746
Public works	245,332
Culture and recreation	4,734
Total governmental activities depreciation expense	\$ 468,146

(8) Commitments.

Claiborne County participates in an interlocal agreement pertaining to a Multi-Jurisdictional Narcotics Enforcement Unit formed collectively with Holmes, Grenada, Humphreys and Leflore Counties and the municipalities of Itta Bena, Greenwood and Grenada known as the North Central Narcotics Task Force. The task force was formed as a joint effort to provide the maximum effectiveness and efficiency in the enforcement of the criminal laws of the state regarding the controlled substances. Most of the funding will come from a federal grant, with the local entities contributing 25 percent. Claiborne County appropriated \$10,520 for support of the task force in fiscal year 2003.

(9) Claims and Judgments.

Risk Financing.

The county finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The county pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$500,000 for law enforcement personnel and \$350,000 for all other employees 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, 2003, to January 1, 2004. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

(10) Capital Leases.

As Lessee:

The county is obligated for the following capital assets acquired through capital leases as of September 30, 2003:

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 645,681
Other furniture and equipment	<u>62,549</u>
Total	708,230
Less: Accumulated depreciation	<u>226,406</u>
Leased Property Under Capital Leases	<u>\$ 481,824</u>

The following is a schedule by years of the total payments due as of September 30, 2003:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 440,619	17,018
2005	10,088	2,227
2006	10,673	1,642
2007	11,292	1,024
2008	<u>11,950</u>	<u>369</u>
Total	<u>\$ 484,622</u>	<u>22,280</u>

(11) Long-term Debt.

Debt outstanding as of September 30, 2003, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
A. General Obligation Bonds:			
General obligation refunding bonds	\$ 515,000	5.1 - 5.3	08-06
General obligation refunding bonds - 1993B	1,505,000	4.9 - 5.4	09-11
General obligation road and bridge - 2001	2,035,000	4.0 - 5.7	06-16
General obligation certificates	<u>150,000</u>	4.7	08-06
Total General Obligation Bonds	<u>\$ 4,205,000</u>		

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
B. Capital Leases:			
Holland TS100 tractor	\$ 22,774	5.15	05-04
Holland DC150 bulldozer	96,325	5.15	04-04
Duraco Dura Patcher	19,097	5.15	04-04
Linkbelt excavator	104,607	5.15	04-04
Caterpillar motor grader	97,999	5.15	04-04
Two Mack dump trucks	90,283	5.15	06-04
Phone system	53,537	5.65	09-07
	<u>484,622</u>		
Total Capital Leases	\$ <u>484,622</u>		
C. Other Loans:			
State revolving loan fund	\$ <u>246,160</u>	4.0	01-13

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

Year Ending September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2004	\$ 485,000	207,378	22,304	9,485
2005	500,000	182,388	23,213	8,576
2006	525,000	156,357	24,159	7,630
2007	320,000	128,672	25,143	6,646
2008	330,000	111,965	26,167	5,622
2009 - 2013	1,455,000	313,515	125,174	11,471
2014 - 2018	590,000	53,775		
Total	\$ <u>4,205,000</u>	<u>1,154,050</u>	<u>246,160</u>	<u>49,430</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt, that can be incurred by the county is limited by state statute. Total outstanding debt during a year can be no greater than 15% 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, 2003, the amount of outstanding debt was equal to 7.4% of the latest property assessments.

Prior Year Defeasance of Debt - In prior years, the county defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the county's financial statements. On September 30, 2003, \$2,290,000 of bonds outstanding were considered defeased.

CLAIBORNE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2003

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2003:

	Balance Oct. 1, 2002	Additions	Reductions	Adjustments	Balance Sept. 30, 2003	Amount due within one year
Compensated absences	\$ 171,784		16		171,768	
Claims and judgments	81,794		81,794			
General obligation bonds	4,670,000		465,000		4,205,000	485,000
Capital leases	594,720		110,098		484,622	440,619
Other loans	268,442		22,282		246,160	22,304
Total	\$ 5,786,740	0	679,190	0	5,107,550	947,923

(12) Contingencies.

Federal Grants - The county has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional 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.

(13) 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, 2003</u>
Industrial revenue bonds	\$ <u>134,770,000</u>

(14) Joint Venture.

The county participates in the following joint venture:

Claiborne County is a participant with the City of Port Gibson in a joint venture, authorized by Mississippi's non-profit corporate statutes, to operate the Harriette Person Memorial Library. The joint venture is governed by a nine-member board of trustees. By contractual agreement, the county's appropriation to the joint venture was \$56,250 in fiscal year 2003. Complete financial statements for the Harriette Person Memorial Library can be obtained from P.O. Box 1017, Port Gibson, MS 39150.

CLAIBORNE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2003

(15) Jointly Governed Organizations.

The county participates in the following jointly governed organizations:

Hinds Community College operates in a district composed of the Counties of Claiborne, Copiah, Hinds, Rankin and Warren. The Claiborne County Board of Supervisors appoints one of the 15 members of the college board of trustees. The county appropriated \$249,312 for the maintenance and support of the college in fiscal year 2003.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Claiborne County Board of Supervisors appoints one of the ten members of the board of commissioners. The county appropriated \$21,600 for its support in fiscal year 2003.

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Claiborne County Board of Supervisors appoints four of the 40 members of the board of directors. The county appropriated \$26,730 for its support in fiscal year 2003.

Southwest Mississippi Development Corporation operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The entity is governed by ten members, appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the county's Board of Supervisors. The member counties provide only modest financial support for the entity.

(16) Defined Benefit Pension Plan.

Plan Description. Claiborne County, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law 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.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. The contribution requirements of PERS members 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, 2003, 2002 and 2001 were \$254,309, \$252,413 and \$255,231, respectively, equal to the required contributions for each year.

(17) Other Information.

As a result of revenue shortfalls, the State Tax Commission had to withhold 9.36% of the March 2003 homestead exemption reimbursement from local governments. The amount withheld from Claiborne County during the 2002-2003 fiscal year was \$8,336.

CLAIBORNE COUNTY

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CLAIBORNE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

CLAIBORNE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2003

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 967,572	521,976	521,976	
Road and bridge privilege taxes	100,000	32,282	32,282	
Licenses, commissions and other revenue	87,750	264,495	264,495	
Fines and forfeitures	126,020	57,657	57,657	
Intergovernmental revenues	6,831,490	7,937,491	7,937,491	
Charges for services	15,000	12,846	12,846	
Interest income		39,740	39,740	
Miscellaneous revenues	18,700	57,828	57,828	
Total Revenues	<u>8,146,532</u>	<u>8,924,315</u>	<u>8,924,315</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	5,641,216	6,351,673	6,411,874	(60,201)
Public safety	1,631,833	1,784,791	1,784,791	
Health and welfare	668,912	572,441	518,504	53,937
Culture and recreation	183,499	220,554	220,554	
Conservation of natural resources	214,913	82,695	82,695	
Economic development and assistance	54,000	59,046	59,046	
Total Expenditures	<u>8,394,373</u>	<u>9,071,200</u>	<u>9,077,464</u>	<u>(6,264)</u>
Excess of Revenues over (under) Expenditures	<u>(247,841)</u>	<u>(146,885)</u>	<u>(153,149)</u>	<u>(6,264)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			552	552
Compensation for loss of capital assets			11,572	11,572
Transfers in		356,551	4,882	(351,669)
Transfers out		(68,805)		68,805
Other financing uses		(105,131)	(60,938)	44,193
Total Other Financing Sources and Uses	<u>0</u>	<u>182,615</u>	<u>(43,932)</u>	<u>(226,547)</u>
Net Change in Fund Balance	(247,841)	35,730	(197,081)	(232,811)
Fund Balances - Beginning	<u>243,942</u>	<u>453,991</u>	<u>686,743</u>	<u>232,752</u>
Fund Balances - Ending	<u>\$ (3,899)</u>	<u>489,721</u>	<u>489,662</u>	<u>(59)</u>

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

CLAIBORNE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Road Fund
 For the Year Ended September 30, 2003

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 394,000	133,572	133,572	
Road and bridge privilege taxes		139,301	139,301	
Intergovernmental revenues	372,000	485,434	443,249	(42,185)
Interest income	8,000	22,972	22,972	
Total Revenues	<u>774,000</u>	<u>781,279</u>	<u>739,094</u>	<u>(42,185)</u>
EXPENDITURES				
Current:				
Public works	1,167,219	1,331,399	1,331,399	
Total Expenditures	<u>1,167,219</u>	<u>1,331,399</u>	<u>1,331,399</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(393,219)</u>	<u>(550,120)</u>	<u>(592,305)</u>	<u>(42,185)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			17,879	17,879
Other financing sources		819,288	11,402	(807,886)
Total Other Financing Sources and Uses	<u>0</u>	<u>819,288</u>	<u>29,281</u>	<u>(790,007)</u>
Net Change in Fund Balance	(393,219)	269,168	(563,024)	(832,192)
Fund Balances - Beginning	<u>495,442</u>	<u>88,698</u>	<u>920,890</u>	<u>832,192</u>
Fund Balances - Ending	<u>\$ 102,223</u>	<u>357,866</u>	<u>357,866</u>	<u>0</u>

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

CLAIBORNE COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2003

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.

For the year ended September 30, 2003, the county implemented GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, which amends GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The statement clarifies the budgetary presentation requirements. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental 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).

CLAIBORNE COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2003

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 Fund</u>
Budget (Cash Basis)	\$ (197,081)	(563,024)
Increase (Decrease)		
Net adjustments for revenue accruals	942,303	21,807
Net adjustments for expenditure accruals	<u>(611,414)</u>	<u>(47,521)</u>
GAAP Basis	<u>\$ 133,808</u>	<u>(588,738)</u>

D. Excess of Actual Expenditures Over Budget in Individual Funds.

The following fund had an excess of actual expenditures over budget for the year ended September 30, 2003:

<u>Fund</u>	<u>Excess</u>
General	\$ 6,264

The General Fund is in violation of Section 19-11-17, Miss. Code Ann. (1972). However, the county has no liability associated with these violations.

CLAIBORNE COUNTY

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CLAIBORNE COUNTY

SUPPLEMENTAL INFORMATION

CLAIBORNE COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2003

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
MAJOR FEDERAL AWARDS			
U. S. Department of Health and Human Services Community health centers (Note B)	93.224	1H80CS00482	\$ <u>706,140</u>
Total Expenditures of Major Federal Awards			<u>706,140</u>
OTHER FEDERAL AWARDS			
U. S. Department of Agriculture - Natural Resource Conservation Service Watershed protection and flood prevention	10.904	64-4423-3-9341	<u>47,518</u>
U. S. Department of Housing and Urban Development/ Passed-through the Mississippi Development Authority Community development block grants/state's program	14.228	02-011-EM-01	<u>44,907</u>
HOME investment partnerships program	14.239	M02-SG-28-01-0976	59,000
HOME investment partnerships program	14.239	M01-SG-28-01-0976	<u>107,028</u>
Subtotal			<u>166,028</u>
Total U. S. Department of Housing and Urban			<u>210,935</u>
U. S. Department of Justice - Office of Justice Programs Local law enforcement block grants program	16.592	LB-BX-1937	10,127
Office of Community Oriented Policing Services Public safety partnership and community policing grants	16.710	95-CF-WX-0365	<u>3,311</u>
Total U. S Department of Justice			<u>13,438</u>
U. S. Department of Transportation - Federal Highway Administration/Passed-through the Mississippi Department of Transportation Highway planning and construction	20.205	N/A	52,933
Highway planning and construction	20.205	N/A	<u>440</u>
Total U. S. Department of Transportation			<u>53,373</u>
Total Expenditures of Other Federal Awards			<u>325,264</u>
Total Expenditures of Federal Awards			<u>\$ <u>1,031,404</u></u>

CLAIBORNE COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2003

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting.

Note B - Community Health Center

Of the federal expenditures presented in the schedule, the county provided federal awards totaling \$706,140 to subrecipients during the year ended September 30, 2003.

CLAIBORNE COUNTY

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CLAIBORNE COUNTY

SPECIAL REPORTS

CLAIBORNE COUNTY

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State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

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

Members of the Board of Supervisors
Claiborne County, Mississippi

We have audited the primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Claiborne County, Mississippi, as of and for the year ended September 30, 2003, and have issued our report thereon dated April 5, 2004. The auditor's report on the primary government financial statements is modified to reflect that the primary government financial statements do not include the financial data of the county's component unit. Our report includes a qualified opinion on the governmental activities and the General Fund because the county did not maintain records documenting Circuit Court fines receivable and the allowance for uncollectible amounts as required by accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Claiborne County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain instances of noncompliance which we have reported to the management of Claiborne County, Mississippi, in the Independent Auditor's Report on Compliance with State Laws and Regulations and the Independent Auditor's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules dated April 5, 2004, included within this document.

Internal Control Over Financial Reporting

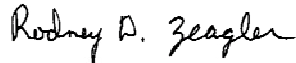
In planning and performing our audit, we considered Claiborne County, Mississippi's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Claiborne County, Mississippi's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 03-1, 03-2 and 03-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 03-2 and 03-3 to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



PHIL BRYANT
State Auditor



RODNEY D. ZEAGLER, CPA
Director, Financial and Compliance Audit Division

April 5, 2004



State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the Board of Supervisors
Claiborne County, Mississippi

Compliance

We have audited the compliance of Claiborne County, Mississippi, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended September 30, 2003. Claiborne County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Claiborne County, Mississippi's management. Our responsibility is to express an opinion on Claiborne County, Mississippi's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Claiborne County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Claiborne County, Mississippi's compliance with those requirements.

In our opinion, Claiborne County, Mississippi, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2003.

Internal Control Over Compliance

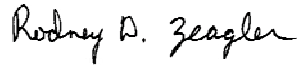
The management of Claiborne County, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Claiborne County, Mississippi's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



PHIL BRYANT
State Auditor



RODNEY D. ZEAGLER, CPA
Director, Financial and Compliance Audit Division

April 5, 2004



State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

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

Members of the Board of Supervisors
Claiborne County, Mississippi

We have made a study and evaluation of the central purchasing system and inventory control system of Claiborne County, Mississippi, as of and for the year ended September 30, 2003. Our study and evaluation included tests of compliance of the Purchase Clerk and Inventory Control Clerk records and such other auditing procedures as we considered necessary in the circumstances.

The Board of Supervisors of Claiborne County, Mississippi, is responsible for establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972). In addition, the Board of Supervisors is responsible for purchasing in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972). The Board of Supervisors of Claiborne 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 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.

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

Board of Supervisors.

1. Finding

Section 31-7-103, Miss. Code Ann. (1972), requires a requisition, purchase order and receiving report for all purchases, except for those items enumerated by the Office of the State Auditor under the authority of Section 31-7-113, Miss. Code Ann. (1972), and except for purchases of not more than \$100. During our examination of 25 purchasing transactions, we noted one purchase was made without the required purchase transaction documents.

Recommendation

The Board of Supervisors should ensure that purchase transaction documents are present, completed with sufficient detail and specific amounts as required, and in the proper time sequence.

Board of Supervisors' Response

The Board of Supervisors will ensure that purchase transaction documents are present, completed with sufficient detail and specific amounts as required and in the proper time.

Purchase Clerk.

2. Finding

Section 31-7-103, Miss. Code Ann. (1972), requires a requisition, purchase order and receiving report for all purchases, except for those items enumerated by the Office of the State Auditor under the authority of Section 31-7-113, Miss. Code Ann. (1972), and except for purchases of not more than \$100. During our examination of 25 purchasing transactions, we noted one purchase order appeared to be completed after the fact, as evidenced by the date of the documents.

Recommendation

The Purchase Clerk should ensure that purchase order documents are present, completed with sufficient detail and specific amounts as required, and in the proper time sequence.

Purchase Clerk's Response

This invoice has the appearance of procedures not being followed, nevertheless the supplier stocked his warehouse upon a phone conversation asking for price quote. I will have a discussion with the salesperson concerning this matter and tell him not to order any supplies until a purchase order is prepared.

Inventory Control Clerk.

3. Finding

Section 7-7-211, Miss. Code Ann. (1972), gives the Office of the State Auditor the authority to prescribe accounting systems for capital assets. As reported in prior years' audit reports, capital asset control procedures were inadequate for maintaining adequate subsidiary records documenting the valuation of capital assets. The county did not maintain documentation on the dates of purchase and valuation of all county-owned land and buildings. We were unable to determine if values were recorded at historical cost or replacement cost.

Recommendation

The Inventory Control Clerk should establish adequate control procedures to ascertain the historical and/or estimated cost of land and buildings.

Inventory Control Clerk's Response

The Inventory Control Clerk is researching records to find documentation on the purchase of land and buildings.

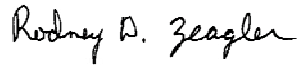
In our opinion, except for the noncompliance referred to in the preceding paragraph, Claiborne County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements.

The accompanying schedules of (1) purchases not made from the lowest bidder, (2) emergency purchases and (3) purchases made noncompetitively from a sole source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned study and evaluation of the purchasing system and, in our opinion, is fairly presented when considered in relation to that study and evaluation.

This report is intended for use in evaluating the central purchasing system and inventory control system of Claiborne County, Mississippi, 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.



PHIL BRYANT
State Auditor



RODNEY D. ZEAGLER, CPA
Director, Financial and Compliance Audit Division

April 5, 2004

CLAIBORNE COUNTY
Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2003

Schedule 1

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

CLAIBORNE COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2003

Schedule 2

Our test results did not identify any emergency purchases.

CLAIBORNE COUNTY
Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2003

Schedule 3

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



State of Mississippi

OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Members of the Board of Supervisors
Claiborne County, Mississippi

We have audited the primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Claiborne County, Mississippi, as of and for the year ended September 30, 2003, and have issued our report thereon dated April 5, 2004. The auditor's report on the primary government financial statements is modified to reflect that the primary government financial statements do not include the financial data of the county's component unit. Our report includes a qualified opinion on the governmental activities and the General Fund because the county did not maintain records documenting Circuit Court fines receivable and the allowance for uncollectible amounts as required by accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. 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.

The results of our procedures and our audit of the primary government financial statements disclosed certain immaterial instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are disclosed below:

Board of Supervisors.

1. Finding

Section 19-11-17, Miss. Code Ann. (1972), prohibits the incurring of expenditures in excess of the final budget as approved by the Board of Supervisors. Actual expenditures exceeded budgeted amounts in the General Fund.

Recommendation

The Board of Supervisors should not make expenditures in excess of budgeted amounts.

Board of Supervisors' Response

The Board of Supervisors will not make expenditures in excess of budgeted amounts.

Tax Assessor-Collector.

2. Finding

As reported in the prior year's audit report, Section 27-53-17, Miss. Code Ann. (1972), describes the seizure, sale, notices required, period of redemption, interest, penalties and other cost of collection assessed for nonpayment of delinquent mobile home taxes. The Tax Assessor-Collector did not sell mobile homes for taxes.

Recommendation

The Tax Assessor-Collector should collect mobile home taxes as required by state law.

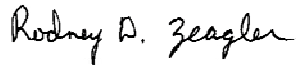
Tax Assessor-Collector's Response

I called Technical Assistance of the Office of the State Auditor, to receive additional mobile home collection procedures. Currently mobile home listings are to be provided on the October first insolvency list to be given to the Board of Supervisors.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



PHIL BRYANT
State Auditor



RODNEY D. ZEAGLER, CPA
Director, Financial and Compliance Audit Division

April 5, 2004

CLAIBORNE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CLAIBORNE COUNTY

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CLAIBORNE COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2003

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|-----------|
| 1. | Type of auditor's report issued on the primary government financial statements: | Qualified |
| 2. | Material noncompliance relating to the primary government financial statements? | No |
| 3. | Internal control over financial reporting: | |
| a. | Material weakness identified? | Yes |
| b. | Reportable conditions identified that are not considered to be material weaknesses? | Yes |

Federal Awards:

- | | | |
|-----|---|-------------|
| 4. | Type of auditor's report issued on compliance for major federal programs: | Unqualified |
| 5. | Internal control over major programs: | |
| a. | Material weakness identified? | No |
| b. | Reportable conditions identified that are not considered to be material weaknesses? | No |
| 6. | Any audit findings reported as required by Section ____.510(a) of Circular A-133? | No |
| 7. | Federal program identified as a major program: | |
| a. | Community health centers, CFDA # 93.224 | |
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee qualified as a low-risk auditee? | No |
| 10. | Prior fiscal year audit finding and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section ____.315(b) of OMB Circular A-133? | No |

CLAIBORNE COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2003

Section 2: Financial Statement Findings

Inventory Control Clerk.

03-1. Finding

As reported in prior years' audit reports, capital asset control procedures were inadequate for maintaining adequate subsidiary records documenting the valuation of capital assets. The county did not maintain documentation on the dates of purchase and valuation of all county owned land and buildings. We were unable to determine if values were recorded at historical cost or replacement cost.

Recommendation

The Inventory Control Clerk should establish adequate control procedures to ascertain the historical and/or estimated cost of land and buildings.

Inventory Control Clerk's Response

The Board of Supervisors is unable to find an appraiser to ascertain the historical and/or estimated cost of land and buildings. When the Board of Supervisors approve a contract, the Inventory Control Clerk will establish control procedures to ascertain the historical and/or estimated cost of land and buildings.

Tax Assessor-Collector.

03-2. Finding

Controls were inadequate over cash. As reported in the prior year's audit report, bank statements were not reconciled to the cash journal. The cash journal was not properly posted and the columns do not foot or cross-foot.

Recommendation

The Tax Assessor-Collector should comply with the prescribed accounting system contained in the *Mississippi County Financial Accounting Manual*.

Tax Assessor-Collector's Response

I received a copy of the revised *Mississippi County Financial Accounting Manual* section that addresses the Tax Collector function in March, 2004. Therefore, I shall adhere to all procedures set forth in the revised *Mississippi County Financial Accounting Manual*.

Circuit Clerk.

03-3. Finding

We noted the following deviations from the prescribed accounting system contained in the *Mississippi County Financial Accounting Manual*:

- a. As reported in the prior year's audit report, bank statements were not reconciled to the cash journal.
- b. As reported in the prior year's audit report, a subsidiary bond ledger was not maintained.

CLAIBORNE COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2003

- c. As reported in the prior year's audit report, settlements of various criminal fines, assessments and other fees were not made to the county on a monthly basis.
- d. An accounts receivable system, consisting of a control account and individual accounts is not maintained for partial payments.
- e. An aged accounts receivable schedule was not prepared. All payments are posted in the docket books, which makes it difficult to obtain the accounts receivable balance which are necessary to complete the schedule.
- f. The fee cash journal was not footed and the journal was not reconciled to the bank statement.

Recommendation

The Circuit Clerk should comply with the prescribed accounting system contained in the *Mississippi County Financial Accounting Manual*.

Circuit Clerk's Response

I will comply with the *Mississippi County Financial Accounting Manual* and work toward getting the civil, criminal and the fee account on computer. I hired an accountant to resolve the financial and bookkeeping issues.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.