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**Calhoun County, Mississippi**  
Audited Financial Statements  
and Special Reports  
For the Year Ended  
September 30, 2010

**Fortenberry and Ballard, PC**  
Certified Public Accountants

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## Calhoun County Location in Mississippi



Calhoun County was formed in 1852 and it was named after John C. Calhoun, Vice President of the United States. Calhoun County covers an area of 587.8 square miles and has a population of approximately 15,069. Thomas T. Gore was the first settler in what is now Calhoun County. He was born in 1776 and came to Mississippi in 1840. He was a pioneer, politician, patriot, and planter who died in 1855.

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**Calhoun County, Mississippi**  
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**FORTENBERRY AND BALLARD, PC**  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Calhoun County, Mississippi

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely-presented component unit, each major fund and the aggregate remaining fund information of Calhoun County, Mississippi, as of and for the year ended September 30, 2010, which collectively comprise the county's basic financial statements 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. We did not audit the financial statements of the Calhoun County Health Services, a component unit, which represents 100 percent of the assets, net assets and revenues of the component unit column. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar, as it relates to the amounts included for the aforementioned component unit, is based on the reports of the other auditors.

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 and the reports of other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental and business-type activities, the aggregate discretely-presented component unit, each major fund and the aggregate remaining fund information of Calhoun County, Mississippi, as of September 30, 2010, and the respective changes in financial position and cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2011, on our consideration of Calhoun 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

**AICPA & MSCPA**

1929 Spillway Road, Suite B, Brandon, MS 39047 Telephone (601)992-5292, Fax (601)992-2033

The Management's Discussion and Analysis and the Budgetary Comparison Schedules and corresponding notes are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries 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.

*FORTENBERRY & BALLARD, PC*

Fortenberry and Ballard, PC  
August 5, 2011

Certified Public Accountants

**Calhoun County, Mississippi  
Management's Discussion & Analysis  
For the Year Ended September 30, 2010**

## **INTRODUCTION**

The discussion and analysis of Calhoun County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2010. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in this county's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the county's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

## ***FINANCIAL HIGHLIGHTS***

- Total net assets increased \$574,688, including a prior period adjustment of \$139,849 which represents a 5% increase from the prior fiscal year.
- The County had \$7,479,310 in total revenues. Tax revenues account for \$4,213,967 or 56% of total revenues. Revenues in the form of interest income, other revenue and grants not restricted, account for \$833,743 or 11% of total revenues.
- The County had \$7,044,471 in total expenses. Expenses in the amount of \$2,431,600 were offset by charges for services, grants, or outside contributions. General revenues of \$5,047,710 were adequate to provide for the remainder of the expenses.
- Among major funds, the General Fund had \$3,536,849 in revenues and \$3,807,147 in expenditures. The General Fund's fund balance decreased \$853,554 over the prior year, including a fund reclassification in the amount of \$(253,274). Last year's revenues were \$3,749,455, and expenditures were \$3,966,731.
- Among major funds, the Capital Projects Fund had \$1,030,914 in expenditures. The Capital Projects Fund's fund balance decreased \$1,030,914 from the prior year.
- Capital assets, net of accumulated depreciation, increased by \$1,841,655 primarily due to additions to construction in progress. Capital assets, net of accumulated depreciation, decreased in the business-type activities in the amount of \$22,634 mainly due to the recording of depreciation for leases.
- Long-term debt decreased by \$337,805 in the governmental activities mainly due to principal payments made during the year. The business-type activities' long-term debt decreased \$48,775 due to principal payments made during the year.

**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.

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

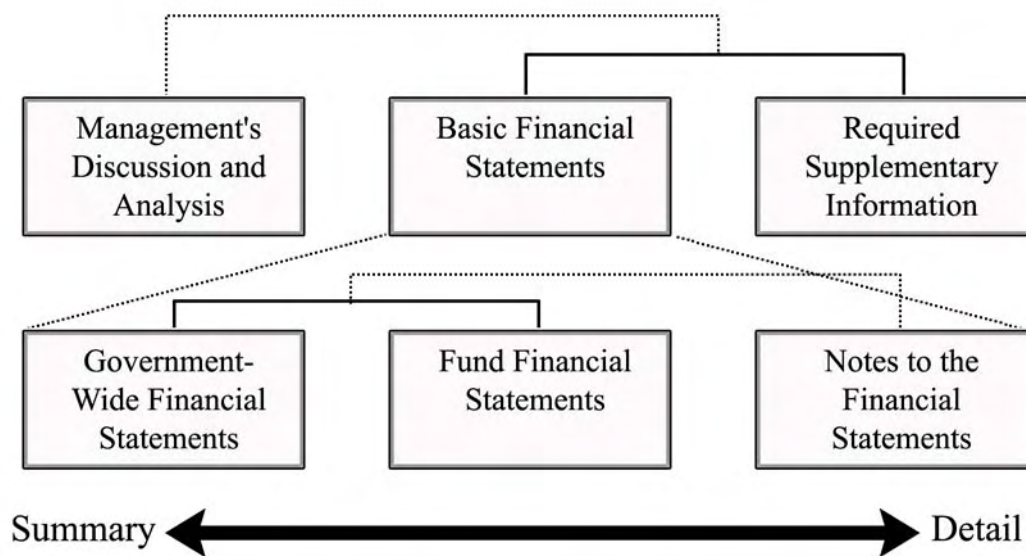


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

**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 private-sector businesses.

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

The **statement of activities** presents information showing how net assets changed during the most recent fiscal year. All changes in net assets 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.

These government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges.

The County has a component unit reported in the Calhoun County’s report as follows:

**Calhoun Health Services** - The facility provides inpatient, psychiatric, outpatient, emergency care and long-term care services for residents of Calhoun County, Mississippi and surrounding areas.

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

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

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

activities.

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 other non-major funds are combined together and presented in these reports as other governmental funds.

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

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information concerning the County's budget process.

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

### ***GOVERNMENT-WIDE FINANCIAL ANALYSIS***

**Net Assets** – Net assets may serve over time as a useful indicator of government's financial position. In the case of Calhoun County, assets exceeded liabilities by \$13,073,655 as of September 30, 2010.

A portion of the County's net assets (61%) reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture & equipment, leased property under capital leases) less related outstanding debt used to acquire such assets. The county uses these capital assets to provide services to its citizens.

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

The following table presents a summary of the County's net assets for the governmental activities for the fiscal year ended September 30, 2010 as compared to the fiscal year ended September 30, 2009.

	09/30/10 Governmental <u>Activities</u>	09/30/09 Governmental <u>Activities</u>
Assets:		
Current assets	\$ 9,594,200	10,861,040
Capital assets, net	10,748,596	8,906,941
Total Assets	<u>20,342,796</u>	<u>19,767,981</u>
Liabilities:		
Current liabilities	4,633,899	4,204,388
Long-term debt outstanding	2,903,371	3,241,176
Total Liabilities	<u>7,537,270</u>	<u>7,445,564</u>
Net Assets:		
Invested in capital assets, net of related debt	7,935,309	5,752,393
Restricted assets	2,884,203	3,990,767
Unrestricted	1,986,014	2,579,257
Total Net Assets	<u>\$ 12,805,526</u>	<u>12,322,417</u>

This table presents a summary of the County's net assets for the business-type activities for the fiscal year ended September 30, 2010 as compared to the fiscal year ended September 30, 2009.

	09/30/10 Business-Type <u>Activities</u>	09/30/09 Business-Type <u>Activities</u>
Assets:		
Current assets	\$ 256,814	179,776
Capital assets, net	222,649	245,283
Total Assets	<u>479,463</u>	<u>425,059</u>
Liabilities:		
Current liabilities	57,070	45,470
Long-term debt outstanding	154,264	203,039
Total Liabilities	<u>211,334</u>	<u>248,509</u>
Net Assets:		
Invested in capital assets, net of related debt	88,062	61,814
Restricted net assets	180,067	114,736
Total Net Assets	<u>\$ 268,129</u>	<u>176,550</u>

The following are significant current year transactions that have had an impact on the Statement of Net Assets.

- Inception of capital leases in the amount of \$105,586 in the governmental activities.

- \$321,368 of long-term debt was retired during the year in the governmental activities and \$48,882 was retired in the business-type activities.

**Changes in Net Assets** - Calhoun County's total revenues for the fiscal year ended September 30, 2010 were \$7,479,310. The total cost for all services provided was \$7,044,471 and the increase in net assets was \$574,688, including a prior period adjustment of \$139,849. The following table presents a summary of the changes in net assets for the governmental activities for the fiscal year ended September 30, 2010, as compared to fiscal year end September 30, 2009.

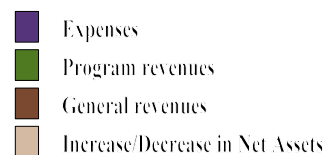
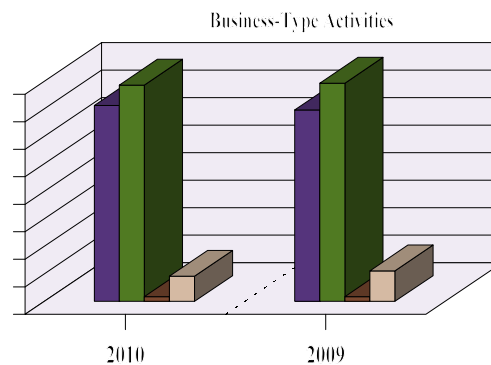
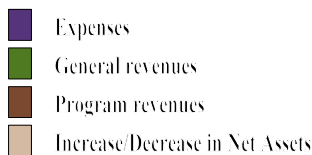
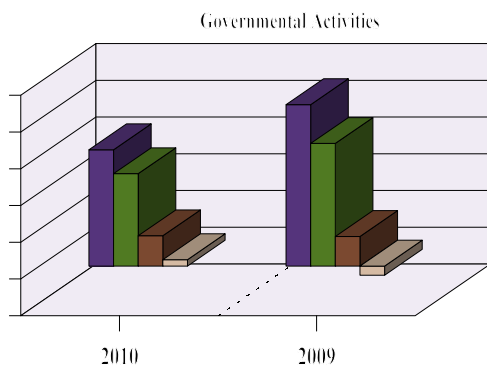
	Fiscal year ended 09/30/10	Fiscal year ended 09/30/09
Revenues:		
Program revenues:		
Charges for services	\$ 1,276,836	1,342,206
Operating grants & contributions	227,361	255,570
Capital grants & contributions	140,897	10,261
General revenues:		
Taxes	4,213,967	3,999,916
Grants and contributions	532,536	2,289,687
Unrestricted interest income	116,296	228,610
Other	167,539	156,318
Total Revenues	<u>\$ 6,675,432</u>	<u>8,282,568</u>
Expenses:		
General government	2,775,200	3,160,226
Public safety	1,327,206	1,251,611
Public works	1,475,354	3,959,192
Health & welfare	201,453	229,611
Culture & recreation	30,218	56,665
Education	95,262	70,922
Conservation of natural resources	78,069	19,730
Economic development and assistance	175,752	
Interest on long term debt	173,658	40,869
Total expenses	<u>6,332,172</u>	<u>8,788,826</u>
Increase/ (Decrease) in Net Assets	<u>\$ 343,260</u>	<u>(506,258)</u>

The following are significant current year transactions that had an impact on the Statement of Activities:

- A prior period adjustment was recorded to reclassify leased property to the correct category at the end of the lease period and to accurately reflect outstanding balances for long-term debt at year end.

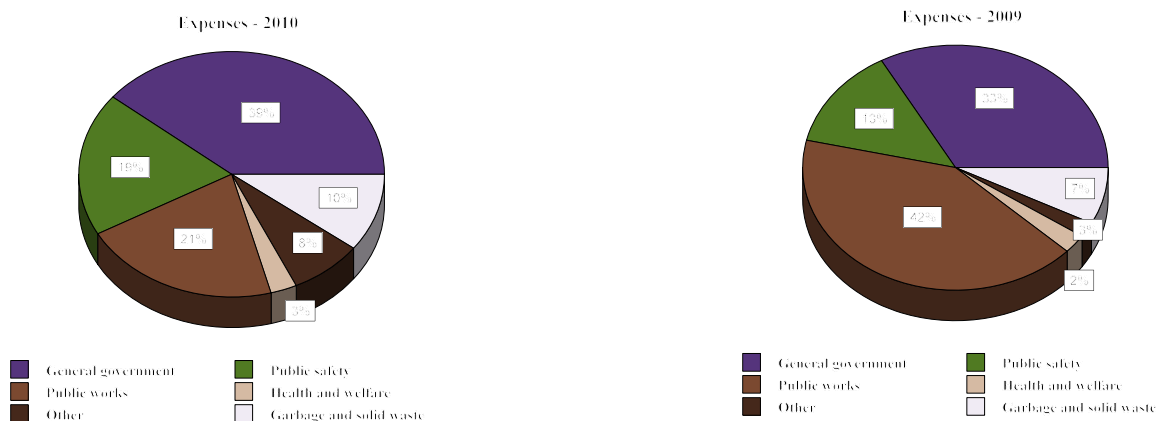
The following table presents a summary of the changes in net assets for the business-type activities for the fiscal year ended September 30, 2010, as compared to fiscal year end September 30, 2009.

	Fiscal year ended 09/30/10	Fiscal year ended 09/30/09
Revenues:		
Program revenues:		
Charges for services	\$ 786,506	793,361
Operating grants & contributions		
General revenues:		
Grants and contributions not restricted	7,997	
Unrestricted interest income	3,532	3,325
Other	5,843	10,199
Total Revenues	<u>\$ 803,878</u>	<u>806,885</u>
Expenses:		
Garbage and solid waste	<u>712,299</u>	<u>695,986</u>
Total expenses	<u>712,299</u>	<u>695,986</u>
Increase/ (Decrease) in Net Assets	<u>\$ 91,579</u>	<u>110,899</u>



**Governmental Activities** – The following table presents the cost of major functional activities of the County: General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation, Education, Conservation of Natural Resources, Economic Development and Assistance and Interest on Long Term Debt for the governmental activities and Garbage and solid waste for the business-type 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 Calhoun County’s taxpayers by each of these functions.

	2010 Total Cost	2010 Net Cost	2009 Total Cost	2009 Net Cost
<b>Governmental Activities:</b>				
General government	\$ 2,775,200	(1,982,486)	3,160,226	(2,380,234)
Public safety	1,327,206	(1,019,131)	1,251,611	(953,356)
Public works	1,475,354	(965,042)	3,959,192	(3,460,826)
Health and welfare	201,453	(168,481)	229,611	(198,187)
Culture and recreation	30,218	(30,218)	56,665	(56,665)
Education	95,262	(95,262)	70,922	(70,922)
Conservation of natural resources	78,069	(78,069)	19,730	(19,730)
Economic development & assistance	175,752	(174,731)		
Interest on long term debt	173,658	(173,658)	40,869	(40,869)
<b>Business-type Activities:</b>				
Garbage and solid waste	712,299	74,207	695,986	97,375
<b>Total Expenses</b>	<b>\$ 7,044,471</b>	<b>(4,612,871)</b>	<b>9,484,812</b>	<b>(7,083,414)</b>



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

**Governmental funds** – At the close of the fiscal year, Calhoun County's governmental funds reported a combined fund balance of \$4,536,516, a decrease of \$1,784,391 from the prior year. The General Fund is the principal operating fund of the County. The decrease in the fund balance of the General Fund for the fiscal year was \$853,554.

## ***BUDGETARY HIGHLIGHTS OF MAJOR FUNDS***

Over the course of the year, Calhoun County revised its annual operating budget on several occasions. Budgeted revenues were increased as better estimates became available.

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund is provided in this report as required supplementary information.

## ***CAPITAL ASSETS AND DEBT ADMINISTRATION***

### **Governmental Activities:**

**Capital Assets** - As of September 30, 2010, Calhoun County's total capital assets were \$16,547,383. This includes land, infrastructure, buildings, improvements other than buildings, mobile equipment, furniture and equipment, and leased property under capital leases. This amount represents an increase from the previous year of \$2,165,870. The majority of this increase is attributable to additions to construction in progress. Total accumulated depreciation as of September 30, 2010 was \$5,798,787, including \$406,934 of depreciation expense for the year. The balance in total net capital assets was \$10,748,596 at year-end.

		<u>2010</u>	<u>2009</u>	<u>% Change</u>
Land	\$	593,687	593,687	0.00%
Construction in progress		1,998,011	1,675,326	19.26%
Buildings		5,109,886	5,109,886	0.00%
Infrastructure		3,934,660	2,119,026	85.68%
Improvements other than buildings		414,442	414,442	0.00%
Mobile equipment		3,159,128	3,071,790	2.84%
Furniture and equipment		404,549	404,549	0.00%
Leased property under capital leases		933,020	992,807	-6.02%
Accumulated depreciation		(5,798,787)	(5,474,572)	5.92%
Total Capital Assets, net	\$	<u>10,748,596</u>	<u>8,906,941</u>	20.68%

**Business-type Activities:**

**Capital Assets** - As of September 30, 2010, Calhoun County's total capital assets were \$660,256. This includes land, infrastructure, buildings, improvements other than buildings, mobile equipment, furniture and equipment, and leased property under capital leases. Total accumulated depreciation as of September 30, 2010 was \$437,607, including \$22,634 of depreciation expense for the year. The balance in total net capital assets was \$222,649 at year-end.

	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Mobile equipment	\$ 487,941	408,772	19.37%
Leased property under capital leases	172,315	251,484	-31.48%
Accumulated depreciation	(437,607)	(414,973)	5.45%
Total Capital Assets, net	\$ <u>222,649</u>	<u>245,283</u>	-9.23%

**Governmental Activities:**

**Debt Administration** – At September 30, 2010, Calhoun County had \$2,903,371 in long-term debt outstanding. This includes obligations under capital leases, and other loans. Of this debt, \$418,403, is due within one year.

	<u>2010</u>	<u>2009</u>	<u>% Change</u>
General obligation bonds	\$ 2,135,000	2,230,000	-4%
Capital leases payable	543,918	750,010	-27%
Other loans	134,369	174,538	-23%
Compensated absences	90,084	86,628	4%
Total Long-Term Debt	\$ <u>2,903,371</u>	<u>3,241,176</u>	-10%

**Business-type Activities:**

**Debt Administration** – At September 30, 2010, Calhoun County had \$154,264 in long-term debt outstanding. This includes obligations under capital leases, and other loans. Of this debt, \$33,502 is due within one year.

	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Capital leases payable	\$ 134,587	183,469	-27%
Compensated absences	19,677	19,570	1%
Total Long-Term Debt	\$ <u>154,264</u>	<u>203,039</u>	-24%

## ***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 Calhoun County, Chancery Clerk's office at the following number: (662) 412-3117 or by mail at PO Box 36, Pittsboro, Mississippi 38951.

## FINANCIAL STATEMENTS

**CALHOUN COUNTY, MISSISSIPPI**

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Calhoun County Health Services
<b>Assets:</b>				
Cash and investments	\$ 5,331,848	\$ 207,270	\$ 5,539,118	\$ 2,498,413
Property tax receivable	3,712,502	--	3,712,502	--
Accounts receivable, net	--	39,449	39,449	3,765,733
Fines receivables, net	361,426	--	361,426	--
Intergovernmental receivable	50,310	--	50,310	--
Other receivables	21,260	55,351	76,611	--
Internal balances	45,256	(45,256)	--	--
Prepaid items	71,598	--	71,598	67,497
Inventories	--	--	--	271,716
Restricted assets	--	--	--	310,555
Capital Assets				
Land and construction in progress	2,591,698	--	2,591,698	29,625
Other capital assets, net	8,156,898	222,649	8,379,547	2,049,286
Total Assets	<u>20,342,796</u>	<u>479,463</u>	<u>20,822,259</u>	<u>8,992,825</u>
<b>Liabilities:</b>				
Claims payable	345,363	17,621	362,984	--
Accounts payable	--	--	--	621,701
Amounts held in custody for others	393,396	--	393,396	--
Intergovernmental payables	100,599	--	100,599	--
Accrued interest payable	9,239	--	9,239	--
Deferred revenue	3,712,502	39,449	3,751,951	--
Claims and judgments payable	72,800	--	72,800	--
Other payables	--	--	--	1,027,975
Long term liabilities				
Due within one year:				
Capital debt	418,403	33,502	451,905	201,196
Due in more than one year:				
Capital debt	2,394,884	101,085	2,495,969	492,667
Non-capital debt	90,084	19,677	109,761	--
Total Liabilities	<u>7,537,270</u>	<u>211,334</u>	<u>7,748,604</u>	<u>2,343,539</u>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	7,935,309	88,062	8,023,371	1,385,049
Restricted Net Assets:				
Public Works	1,317,213	180,067	1,497,280	--
Public Safety	156,636	--	156,636	--
Debt Service	410,738	--	410,738	--
Capital Projects	977,178	--	977,178	--
Conservation of Natural Resources	22,438	--	22,438	--
Unrestricted	1,986,014	--	1,986,014	5,264,237
Total Net Assets	<u>\$ 12,805,526</u>	<u>\$ 268,129</u>	<u>\$ 13,073,655</u>	<u>\$ 6,649,286</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	\$ 2,775,200	\$ 778,285	\$ --	\$ 14,429	\$ (1,982,486)		\$ (1,982,486)	
Public safety	1,327,206	163,394	18,896	125,785	(1,019,131)		(1,019,131)	
Public works	1,475,354	334,336	175,293	683	(965,042)		(965,042)	
Health and welfare	201,453	--	32,972	--	(168,481)		(168,481)	
Culture and recreation	30,218	--	--	--	(30,218)		(30,218)	
Education	95,262	--	--	--	(95,262)		(95,262)	
Conservation of natural resources	78,069	--	--	--	(78,069)		(78,069)	
Economic development and assistance	175,752	821	200	--	(174,731)		(174,731)	
Interest on long term debt	173,658	--	--	--	(173,658)		(173,658)	
<b>Total Governmental Activities</b>	<b>6,332,172</b>	<b>1,276,836</b>	<b>227,361</b>	<b>140,897</b>	<b>(4,687,078)</b>		<b>(4,687,078)</b>	
<b>Business-type Activities:</b>								
Solid Waste Fund	712,299	786,506	--	--	--	\$ 74,207	74,207	
<b>Total Business-type Activities</b>	<b>712,299</b>	<b>786,506</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>74,207</b>	<b>74,207</b>	
<b>Total Primary Government</b>	<b>\$ 7,044,471</b>	<b>\$ 2,063,342</b>	<b>\$ 227,361</b>	<b>\$ 140,897</b>	<b>(4,687,078)</b>	<b>74,207</b>	<b>(4,612,871)</b>	
<b>COMPONENT UNIT:</b>								
Calhoun County Health Services	\$ 16,377,774	\$ 15,986,916	\$ --	\$ --				\$ (390,858)
<b>General Revenues:</b>								
Property taxes					4,000,633	--	4,000,633	--
Road and bridge privilege taxes					213,334	--	213,334	--
Grants and Contributions Not Restricted to specific programs					532,536	7,997	540,533	--
Unrestricted interest income					116,296	3,532	119,828	41,418
Miscellaneous					167,539	5,843	173,382	--
<b>Total General Revenues</b>					<b>5,030,338</b>	<b>17,372</b>	<b>5,047,710</b>	<b>41,418</b>
<b>Change in Net Assets</b>					<b>343,260</b>	<b>91,579</b>	<b>434,839</b>	<b>(349,440)</b>
<b>Net Assets - Beginning</b>					<b>12,322,417</b>	<b>176,550</b>	<b>12,498,967</b>	<b>6,998,726</b>
<b>Prior Period Adjustment</b>					<b>139,849</b>	<b>--</b>	<b>139,849</b>	<b>--</b>
<b>Net Assets, Beginning, as restated</b>					<b>12,462,266</b>	<b>176,550</b>	<b>12,638,816</b>	<b>6,998,726</b>
<b>Net Assets - Ending</b>					<b>\$ 12,805,526</b>	<b>\$ 268,129</b>	<b>\$ 13,073,655</b>	<b>\$ 6,649,286</b>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, MISSISSIPPI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2010**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 2,037,212	\$ 1,087,970	\$ 2,206,666	\$ 5,331,848
Property tax receivable	2,185,419	--	1,527,083	3,712,502
Fines receivable, net	361,426	--	--	361,426
Intergovernmental receivables	48,578	--	--	48,578
Other receivables	21,260	--	--	21,260
Due from other funds	13,890	--	43,090	56,980
Advances to other funds	35,626	--	6,946	42,572
Total Assets	<u>\$ 4,703,411</u>	<u>\$ 1,087,970</u>	<u>\$ 3,783,785</u>	<u>\$ 9,575,166</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Claims payable	\$ 72,424	\$ 110,792	\$ 162,147	\$ 345,363
Amounts held in custody for others	393,396	--	--	393,396
Intergovernmental payables	100,599	--	--	100,599
Due to other funds	43,090	--	--	43,090
Advances from other funds	400	--	9,074	9,474
Deferred revenue	2,546,845	--	1,527,083	4,073,928
Claims and judgments payable	72,800	--	--	72,800
Total Liabilities	<u>3,229,554</u>	<u>110,792</u>	<u>1,698,304</u>	<u>5,038,650</u>
<b>Fund Balances</b>				
Reserved for:				
Advances	35,626	--	6,946	42,572
Capital Project Funds	--	977,178	--	977,178
Debt Service Funds	--	--	419,977	419,977
Unreserved:				
Undesignated, reported in:				
General Fund	1,438,231	--	--	1,438,231
Special Revenue Fund	--	--	1,658,558	1,658,558
Total Fund Balances	<u>1,473,857</u>	<u>977,178</u>	<u>2,085,481</u>	<u>4,536,516</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,703,411</u>	<u>\$ 1,087,970</u>	<u>\$ 3,783,785</u>	<u>\$ 9,575,166</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, MISSISSIPPI**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2010

Total fund balances - governmental funds balance sheet	\$ 4,536,516
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	10,748,596
Liabilities due in one year are not recognized in the funds.	(418,403)
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,030,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(267,445)
Payables for bond interest which are not due in the current period are not reported in the funds.	(9,239)
Payables for compensated absences not due in the current period are not reported in the funds.	(90,084)
Other long-term liabilities not due and payable in the current period are not reported in the funds.	(97,439)
Deferred revenue should not include fines receivable in the accrual method.	361,426
Prepaid items are accounted for as expenditures in period of acquisition and not reported in the funds.	<u>71,598</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 12,805,526</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, MISSISSIPPI**

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCES - GOVERNMENTAL FUNDS

## FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 2,461,022	\$ --	\$ 1,539,611	\$ 4,000,633
Road and bridge privilege taxes	--	--	201,547	201,547
Licenses, commissions and other revenues	99,997	--	--	99,997
Fines and forfeitures	311,164	--	31,070	342,234
Intergovernmental revenues	449,664	--	1,021,958	1,471,622
Charges for services	42,966	--	160,510	203,476
Interest income	54,101	--	62,195	116,296
Miscellaneous revenues	117,935	--	49,604	167,539
Total Revenues	<u>3,536,849</u>	<u>--</u>	<u>3,066,495</u>	<u>6,603,344</u>
<b>Expenditures:</b>				
General government	2,846,640	--	227,878	3,074,518
Public safety	710,039	--	562,040	1,272,079
Public works	--	1,030,914	2,294,606	3,325,520
Health and welfare	156,690	--	--	156,690
Culture and recreation	--	--	18,008	18,008
Conservation of natural resources	92,134	--	3,128	95,262
Economic development and assistance	1,644	--	76,425	78,069
Debt service:				
Principal	--	--	321,368	321,368
Interest	--	--	182,767	182,767
Total Expenditures	<u>3,807,147</u>	<u>1,030,914</u>	<u>3,686,220</u>	<u>8,524,281</u>
Excess of Revenues Over (Under) Expenditures	<u>(270,298)</u>	<u>(1,030,914)</u>	<u>(619,725)</u>	<u>(1,920,937)</u>
<b>Other Financing Sources (Uses):</b>				
Inception of capital leases	--	--	105,586	105,586
Proceeds from sale of capital assets	1,175	--	29,785	30,960
Transfers in	160,000	--	791,067	951,067
Transfers out	(491,157)	--	(459,910)	(951,067)
Total Other Financing Sources (Uses)	<u>(329,982)</u>	<u>--</u>	<u>466,528</u>	<u>136,546</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(600,280)</u>	<u>(1,030,914)</u>	<u>(153,197)</u>	<u>(1,784,391)</u>
<b>Fund balances</b>				
Fund Balances - Beginning	2,327,411	2,008,092	1,985,404	6,320,907
Fund Reclassification	(253,274)	--	253,274	--
Fund Balances - Beginning, as restated	2,074,137	2,008,092	2,238,678	6,320,907
Fund Balances - Ending	<u>\$ 1,473,857</u>	<u>\$ 977,178</u>	<u>\$ 2,085,481</u>	<u>\$ 4,536,516</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, MISSISSIPPI**

*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, 2010*

Net change in fund balances - total governmental funds	\$ (1,784,391)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,310,324
The depreciation of capital assets used in governmental activities is not reported in the funds.	(406,934)
The gain or loss on the sale of capital assets is not reported in the funds.	(45,145)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(30,960)
Expenses not requiring the use of current financial resources are not expenditures in the funds.	6,843
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	95,000
Repayment of capital lease principal is an expenditure in the funds but not an expense in the SOA.	191,545
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	34,823
(Increase) decrease in accrued interest from beginning of period to end of period.	9,109
Compensated absences are reported as amount earned in SOA but as amount paid in the funds.	(3,456)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	72,088
Inception of leases does not constitute other financing sources in the SOA.	<u>(105,586)</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 343,260</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, MISSISSIPPI**

## STATEMENT OF NET ASSETS

## PROPRIETARY FUND

SEPTEMBER 30, 2010

Enterprise Fund
<hr/> Solid Waste Fund
<hr/>

**Assets:**

## Current Assets:

Cash	\$ 207,270
Accounts receivable, net	39,449
Other receivables	55,351
Total Current Assets	<hr/> 302,070

## Non-current assets:

Other capital assets, net	222,649
Total Non-current Assets	<hr/> 222,649

Total Assets	<hr/> 524,719
--------------	---------------

**Liabilities:**

## Current Liabilities:

Claims payable	17,621
Due to other funds	13,890
Advances from other funds	31,366
Deferred revenue	39,449
Long term liabilities:	
Capital related	33,502
Total Current Liabilities	<hr/> 135,828

## Non-Current Liabilities:

Capital related	101,085
Non-capital related	19,677
Total Non-Current Liabilities	<hr/> 120,762

Total Liabilities	<hr/> 256,590
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**Net Assets:**

Invested in capital assets, net of related debt	88,062
Restricted for:	
Public Works	180,067
Total Net Assets	<hr/> <hr/> \$ 268,129

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, MISSISSIPPI**  
*STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN NET ASSETS - PROPRIETARY FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010*

	Enterprise Fund Solid Waste Fund
<b>Operating Revenues:</b>	
Charges for services	\$ 786,506
Miscellaneous	5,843
Total Operating Revenues	<u>792,349</u>
<b>Operating Expenses:</b>	
Personal services	285,787
Contractual services	184,519
Materials and Supplies	163,289
Depreciation expense	22,634
Miscellaneous	56,070
Total Operating Expenses	<u>712,299</u>
Operating Income (Loss)	<u>80,050</u>
<b>Non-Operating Revenues (Expenses):</b>	
Intergovernmental grants	7,997
Interest revenue	3,532
Total Non-Operating Revenues (Expenses)	<u>11,529</u>
Net income	<u>91,579</u>
Net Assets - Beginning	176,550
Net Assets	<u>\$ 268,129</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY**

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Enterprise Fund
	Solid Waste Fund
	<u>                    </u>
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Received from Customers</i>	\$ 735,495
<i>Cash Payments to Employees for Services</i>	(143,334)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(285,785)
<i>Cash Payments for Contractual Services</i>	(176,865)
<i>Other Operating Cash Receipts (Payments)</i>	5,843
Net Cash Provided (Used) by Operating Activities	<u>135,354</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
<i>Intergovernmental Grants</i>	12,318
Net Cash Provided (Used) by Non-capital Financing Activities	<u>12,318</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
<i>Principal and Interest Paid</i>	(53,203)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(53,203)</u>
<b>Cash Flows from Investing Activities:</b>	
<i>Interest and Dividends on Investments</i>	3,532
Net Cash Provided (Used) for Investing Activities	<u>3,532</u>
Net Increase (Decrease) in Cash and Cash Equivalents	98,001
Cash and Cash Equivalents at Beginning of Year	109,269
Cash and Cash Equivalents at End of Year	<u>\$ 207,270</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 80,050
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Depreciation</i>	22,634
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	(58,721)
<i>Decrease (Increase) in Intergovernmental Receivables</i>	65,794
<i>Increase (Decrease) in Claims Payable</i>	8,230
<i>Increase (Decrease) in Interfund Payables</i>	(1,636)
<i>Increase (Decrease) in Advances</i>	15,526
<i>Increase (Decrease) in Compensated Absences Liability</i>	107
<i>Increase (Decrease) in Deferred Revenue</i>	3,370
Total Adjustments	<u>55,304</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 135,354</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, MISSISSIPPI**  
*STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES*  
*FIDUCIARY FUNDS*  
*SEPTEMBER 30, 2010*

	Agency Fund
<b>Assets:</b>	
Cash	\$ 106,093
Other receivables	1,732
Total Assets	<u>\$ 107,825</u>
<b>Liabilities:</b>	
Amounts held in custody for others	\$ 31,589
Intergovernmental payables	74,504
Advances from other funds	1,732
Total Liabilities	<u>\$ 107,825</u>

The accompanying notes are an integral part of this statement.

**Calhoun County, Mississippi**

Notes to the Financial Statements  
for the year ended September 30, 2010

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

### (1) Summary of Significant Accounting Policies.

#### A. Financial Reporting Entity

Calhoun County, Mississippi 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 Calhoun County, Mississippi to present these financial statements on the primary government and its component unit which has a significant operational or financial relationship 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 Disclosure

The component unit column in the financial statements includes the financial data of the following component unit of the county. It is reported in a separate column to emphasize that it is legally separate from the county.

The Calhoun County Health Services was created on October 1, 2000, with the combination of Calhoun County Nursing Home which was owned by Calhoun County, Mississippi, and Hillcrest Hospital which was owned by Calhoun City, Mississippi. The facility is governed by a Board of Trustees appointed by the Board of Supervisors of Calhoun County, Mississippi, and the Board of Aldermen of Calhoun City, Mississippi.

#### 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.

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

### 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 and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Assets presents the financial condition of the governmental activities and 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 and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the county, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type or 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 a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the funds financial statements. Nonmajor funds are aggregated and presented as Other Governmental Funds in a single column.

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

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency 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 assets 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

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The county's Proprietary Funds apply all applicable Governmental Accounting Standard Board (GASB) pronouncements and only the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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

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 judgements, 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.

Capital Projects Fund - This fund is used to account for financial resources to be used for the construction of the new county courthouse.

The county reports the following major Proprietary Fund:

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

Additionally, the county reports the following fund types:

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

### GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) 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.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds or general obligation bond issues and federal grants.

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

### PROPRIETARY FUND TYPE

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

### 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 2005 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

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

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.

### 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 fund balance reserve account in applicable Governmental Funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

### I. Prepaid Items

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

### 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 (applicable) 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

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

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. Calhoun 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 government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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

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

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

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

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

### K. Long-term Liabilities

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

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

### L. 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 and regulations 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 with unreserved classified as designated and undesignated.

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.

### M. 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

## Calhoun County, Mississippi

### Notes to the Financial Statements

For the year ended September 30, 2010

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.

#### N. 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.

#### 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 and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absences liability payable only if the payable has matured, for example an employee resigns or retires.

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the Year Ended September 30, 2010

### (2) Fund Reclassification

The Escrow Fund beginning fund balance was reclassified from the General Fund to Other Governmental Funds.

#### Exhibit 4 - Statement of Revenues, Expenditures and Change in Fund Balances

<u>Explanation</u>	<u>Amount</u>
1. Reclassification of a general fund to a special revenue fund.	\$ (253,274)
2. Reclassification from a general fund to a special revenue fund.	<u>253,274</u>
Total	<u><u>\$ 0</u></u>

### (3) Prior Period Adjustment

A summary of significant fund equity adjustments is as follows:

#### Exhibit 2 - Statement of Activities.

<u>Explanation</u>	<u>Amount</u>
1. Adjustment to capital assets to reclassify leased property to the correct category at the end of the lease period.	\$ 14,370
2. Adjustments to long-term debt were needed to properly reflect balances outstanding at year end.	<u>125,479</u>
Total	<u><u>\$ 139,849</u></u>

### (4) Deposits

The carrying amount of the county's total deposits with financial institutions at September 30, 2010, was \$5,645,211, and the bank balance was \$5,859,548. 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 Deposit Insurance Corporation.

**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

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the Year Ended September 30, 2010

collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the county. Deposits above the 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.

### Component Unit

The collateral for public entities' deposits in financial institutions is now 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 Deposit Insurance Corporation.

### (5) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2010:

#### A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Funds:		
General Fund	Solid Waste Fund	\$ 13,890
Other Governmental Funds	General Fund	43,090
Total		<u>\$ 56,980</u>

The purpose of these interfund loans was to disperse the advalorem property taxes to the proper funds from collections made by the Tax Collector in September 2009 but settled the following month. The amount owed by the Waste Fund is for indirect costs incurred for the fiscal year. All interfund balances are expected to be repaid within one year from the date of the financial statements.

#### B. Advances To/From Other Funds:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Major Funds:		
General Fund	Other Governmental Funds	\$ 400
Other Governmental Funds	Other Governmental Funds	6,546
Other Governmental Funds	General Fund	2,528
Solid Waste Fund	General Fund	31,366

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Major Funds:		
Agency Funds	General Fund	1,732
Total		\$ 42,572

The advances to & from other funds were made in prior years for cash flow purposes.

### C. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Major Funds:		
General Fund	Other Governmental Funds	\$ 160,000
Other Governmental Funds	General Fund	491,157
Other Governmental Funds	Other Governmental Funds	299,910
Total		\$ 951,067

The transfers were made for budgetary allocations. All transfers were routine and consistent with the fund making the transfer.

### (6) Intergovernmental Receivables

Intergovernmental receivables at September 30, 2010 consisted of the following:

#### Governmental Activities:

<u>Description</u>	<u>Amount</u>
Tax Collector	\$ 48,578
Total Governmental Activities	\$ 48,578

#### Business-type Activities:

<u>Description</u>	<u>Amount</u>
Garbage collection fees	\$ 55,351
Total Business-type Activities	\$ 55,351

### (7) Capital Assets

The following is a summary of capital assets activity for the year ended September 30, 2010:

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

### Governmental activities:

	Balance Oct. 1, 2009	Additions	Deletions	Completed Construction	Adjustments	Balance Sept. 30, 2010
<u>Non-depreciable capital assets:</u>						
Land	\$ 593,687					593,687
Construction in progress	1,675,326	2,138,319		(1,815,634)		1,998,011
Total non-depreciable capital assets	2,269,013	2,138,319	0	(1,815,634)	0	2,591,698
<u>Depreciable capital assets:</u>						
Buildings	5,109,886					5,109,886
Infrastructure	2,119,026			1,815,634		3,934,660
Improvements other than buildings	414,442					414,442
Mobile equipment	3,071,790	66,419	46,581		67,500	3,159,128
Furniture and equipment	404,549					404,549
Leased property under capital leases	992,807	105,586	97,873		(67,500)	933,020
Total depreciable capital assets	12,112,500	172,005	144,454	1,815,634	0	13,955,685
<u>Less accumulated depreciation for:</u>						
Buildings	2,167,233	91,829				2,259,062
Infrastructure	199,176	108,106				307,282
Improvements other than buildings	44,624	16,578				61,202
Mobile equipment	2,532,289	80,870	41,923		22,080	2,593,316
Furniture and equipment	357,039	7,649				364,688
Leased property under capital leases	174,211	101,902	26,426		(36,450)	213,237
Total accumulated depreciation	5,474,572	406,934	68,349	0	(14,370)	5,798,787
Total depreciable capital assets, net	6,637,928	(234,929)	76,105	1,815,634	14,370	8,156,898
Governmental activities capital assets, net	\$ 8,906,941	1,903,390	76,105	0	14,370	10,748,596

Adjustments to capital assets were made to reclassify leased property to the correct category at the end of the lease period.

## Calhoun County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2010

#### Business-type activities:

	Balance Oct. 1, 2009	Additions	Adjustments	Balance Sept. 30, 2010
Depreciable capital assets:				
Mobile equipment	\$ 408,772		79,169	487,941
Leased property under capital leases	251,484		(79,169)	172,315
Total depreciable capital assets	<u>660,256</u>	<u>0</u>	<u>0</u>	<u>660,256</u>
Less accumulated depreciation for:				
Mobile equipment	363,839		42,750	406,589
Leased property under capital leases	51,134	22,634	(42,750)	31,018
Total accumulated depreciation	<u>414,973</u>	<u>22,634</u>	<u>0</u>	<u>437,607</u>
Total depreciable capital assets, net	<u>245,283</u>	<u>(22,634)</u>	<u>0</u>	<u>222,649</u>
Business-type activities capital assets, net	<u>\$ 245,283</u>	<u>(22,634)</u>	<u>0</u>	<u>222,649</u>

Adjustments to capital assets were made to reclassify leased property to the correct category at the end of the lease period.

#### Component Unit:

	Balance Sept. 30, 2010
Non-depreciable capital assets:	
Land	\$ 24,800
Construction in progress	4,825
Total non-depreciable capital assets	<u>29,625</u>
Depreciable capital assets:	
Land Improvements	285,875
Buildings and Improvements	4,090,717
Fixed equipment	466,464
Major movable equipment:	
Under capital leases	527,167
Other	2,065,741
Minor equipment	2,849
Automobiles:	
Under capital leases	103,450
Other	215,111
Total depreciable capital assets	<u>7,757,374</u>

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

	Balance <u>Sept. 30, 2010</u>
Less: Accumulated depreciation	<u>(5,708,088)</u>
Component unit capital assets, net	\$ <u><u>2,078,911</u></u>

Depreciation expense was charged to the following functions:

	<u>Amount</u>
<b>Governmental Activities:</b>	
General government	\$ 4,069
Public safety	32,554
Public works	313,338
Health and welfare	44,763
Culture and recreation	<u>12,210</u>
Total depreciation expense	\$ <u><u>406,934</u></u>

	<u>Amount</u>
<b>Business-type Activities:</b>	
Solid waste	\$ <u>22,634</u>
Total depreciation expense	\$ <u><u>22,634</u></u>

Commitments with respect to unfinished capital projects at September 30, 2010, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
New Courthouse	\$3,969,086	September 30, 2012

### (8) 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 \$750,000

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

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, 2008, to January 1, 2009. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

The county finances its exposure to risk of loss relating to employee health and accident coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool. The pool is a claims-servicing organization with the county retaining the risk of loss on all claims to which the county is exposed. Premium payments to the pool are determined on an actuarial basis. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The following table provides changes in the balances of claims liabilities for fiscal years 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Unpaid Claims, Beginning	\$ 136,854	63,278
Plus: Incurred claims (including IBNRs)	877,058	933,736
Less: Claims Payments	<u>(941,112)</u>	<u>(860,160)</u>
Unpaid Claims, End of Year	<u>\$ 72,800</u>	<u>136,854</u>

### (9) Capital Leases

As Lessee:

The county is obligated for the following capital assets acquired through capital leases as of September 30, 2010:

<u>Classes of Property</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Mobile equipment	\$ 933,020	172,315
Less: Accumulated depreciation	<u>(213,237)</u>	<u>(31,018)</u>
Leased Property Under Capital Leases	<u>\$ 719,783</u>	<u>141,297</u>

The following is a schedule by years of the total payments due on capital lease obligations as of September 30, 2010:

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 276,473	12,441	33,502	3,902
2012	151,910	6,025	34,614	2,790
2013	76,896	2,169	35,763	1,641
2014	38,639	615	30,708	462
Total	\$ 543,918	21,250	134,587	8,795

### (10) Long-term Debt

Debt outstanding as of September 30, 2010, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<u>Governmental Activities:</u>			
A. General Obligation Bonds:			
District 1 road and bridge	\$ 175,000	4.7%	07/2011
District 5 road and bridge	20,000	3.3%	02/2018
Series 2009 Public Improvement	1,940,000	4.85%	03/2029
Total General Obligation Bonds	\$ 2,135,000		
B. Capital Leases:			
Motor grader - District 1	\$ 108,838	4.15%	01/2011
Ford F-150 truck - District 4	7,119	3.79%	02/2012
New Holland tractor - District 3	16,174	3.35%	05/2012
Massey Ferguson 583 tractor - District 5	13,879	3.35%	05/2012
Ford F-150 truck - District 2	6,655	3.35%	06/2012
(3) 2009 Mack trucks - Districts 1, 3 & 4	120,218	3.19%	02/2013
Pothole Patcher - County Wide	44,694	3.19%	03/2013
7000 gallon Storage Tank - County Wide	32,120	3.19%	03/2013
2008 Mack truck - District 2	40,210	3.13%	04/2013
Case Tractor with Backhoe - District 5	48,425	3.27%	07/2014
2011 Mack Truck - District	105,586	2.99%	09/2014
Total Capital Leases	\$ 543,918		

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
C. Other Loans (CAP Loans):			
Feeder pig facility #2	\$ 45,099	4.95%	07/2014
Horse arena CAP loan	34,086	4.00%	07/2013
Horse arena	24,638	3.00%	07/2014
Fire truck CAP loan	30,546	2.00%	08/2015
Total Other Loans	\$ 134,369		

### Business-type activities:

#### A. Capital Leases:

2009 Mack garbage truck	\$ 134,587	3.27%	07/2014
Total Capital Leases	\$ 134,587		

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

#### Governmental Activities:

Year Ending September 30,	General Obligation Bonds	
	Principal	Interest
2011	\$ 105,000	98,213
2012	85,000	92,907
2013	90,000	88,435
2014	95,000	83,753
2015	100,000	78,880
2016-2020	520,000	320,545
2021-2025	575,000	197,738
2026-2029	565,000	54,835
Total	\$ 2,135,000	1,015,306

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

Year Ending September 30,	Other Loans	
	Principal	Interest
2011	\$ 36,930	3,654
2012	38,121	2,463
2013	35,473	1,307
2014	18,327	401
2015	5,518	50
Total	\$ 134,369	7,875

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 by 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, 2010, the amount of outstanding debt was 2.88% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2010:

	Balance Oct. 1, 2009	Additions	Reductions	Adjustments	Balance Sept. 30, 2010	Amount due within one year
<u>Governmental Activities:</u>						
General obligation bonds	\$ 2,230,000		95,000		2,135,000	105,000
Capital leases	750,010	105,586	191,545	(120,133)	543,918	276,473
Other loans	174,538		34,823	(5,346)	134,369	36,930
Compensated absences	86,628	3,456			90,084	
Total	\$ 3,241,176	109,042	321,368	(125,479)	2,903,371	418,403

	Balance Oct. 1, 2009	Additions	Reductions	Balance Sept. 30, 2010	Amount due within one year
<u>Business-type</u>					
Capital leases	\$ 183,469		48,882	134,587	33,502
Compensated absences	19,570	107		19,677	
Total	\$ 203,039	107	48,882	154,264	33,502

Adjustments to long-term debt were needed to properly reflect balances outstanding as of September 30, 2010 for governmental activities.

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

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

<u>Component Unit:</u>	<u>Balance Sept. 30, 2010</u>	<u>Amount due within one year</u>
Bonds Payable	\$ 220,961	30,430
Capital leases	<u>472,902</u>	<u>170,766</u>
Total	\$ <u><u>693,863</u></u>	<u><u>201,196</u></u>

### (11) 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.

### (12) No Commitment Debt (Not Included in the 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, 2010</u>
Nursing home notes	\$ <u><u>220,961</u></u>

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

### (13) Related Organizations

The Calhoun County Board of Supervisors is responsible for appointing a voting majority of the members of the board of the Loosascoona 1 Drainage District, but the county's accountability for this organization does not extend beyond making appointments. During the year, the county levied a 50 cent per acre tax for the district.

The Calhoun County Board of Supervisors is responsible for appointing a voting majority of the members of the board of Loosascoona 2 Drainage District, but the county's accountability for this organization does not extend beyond making appointments. During the year, the county levied a 50 cent per acre tax for the district.

The Calhoun County Board of Supervisors is responsible for appointing a voting majority of the members of the board of the Topashaw Drainage District, but the county's accountability for this organization does not extend beyond making appointments. During the year, the county levied a 20 cent per acre tax for the district.

The Calhoun County Board of Supervisors is responsible for appointing a voting majority of the members of the board of the Yalobusha Drainage District, but the county's accountability for this organization does not extend beyond making appointments. During the year, the county levied a 13 cent per acre tax for the district.

The Calhoun County Board of Supervisors is responsible for appointing a voting majority of the members of the board of the Persimmon Creek Drainage District, but the county's accountability for this organization does not extend beyond making appointments. During the year, the county levied a 25 cent per acre tax for the district.

### (14) Joint Venture

The county participates in the following joint venture:

Calhoun County is a participant with Chickasaw and Pontotoc Counties in a joint venture, authorized by Section 39-3-11, Miss. Code Ann. (1972), to operate the Dixie Regional Library System. The Regional Library was created to provide free public library service for the respective counties. The Regional Library is governed by a five-member board appointed by the Boards of Supervisors: two from the Library Board of Calhoun County, one from the Library Board of Chickasaw County, and two from the Library Board of the Pontotoc County. The county appropriated \$67,578 to the library in fiscal year 2010. Complete financial statements for the Regional Library can be obtained from the Dixie Regional Library System, 111 North Main Street, Pontotoc, Mississippi 38863.

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

### (15) Jointly Governed Organizations

The county participates in the following jointly governed organizations:

Three Rivers Planning and Development District operates in a district composed of the Counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union. The Calhoun County Board of Supervisors appoints five of the 40 members of the board of directors. The county appropriated \$19,730 for support of the district in fiscal year 2010.

Communicare operates in a district composed of the Counties of Cahoun, DeSoto, Lafayette, Marshall, Panola, Tate and Yalobusha. The Calhoun County Board of Supervisors appoints one of the seven members of the board of commissioners. The county appropriated \$25,057 for support of the organization in fiscal year 2010.

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 Calhoun County Board of Supervisors appoints two of the 23 members of the college board of trustees. The county appropriated \$135,561 for maintenance and support of the college in fiscal year 2010.

Three Rivers Solid Waste Management Authority operates in a district composed of the Counties of Calhoun, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union. The Calhoun County Board of Supervisors appoints one of the seven members of the board. The county did not appropriate any monies for support of the authority in fiscal year 2010. The entity is fiscally independent of the members. Members are billed based on the volume of solid waste deposited.

### (16) Defined Benefit Pension Plan

Plan Description. Calhoun 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 9.00% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The rate at September 30, 2010 was 12.00% of annual covered payroll. The contribution

## Calhoun County, Mississippi

Notes to the Financial Statements  
For the year ended September 30, 2010

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, 2010, 2009 and 2008 were \$257,802, \$252,953, and \$242,490, respectively, equal to the required contributions for each year.

### (17) Subsequent Events

Events that occur after the statement of net assets 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 assets date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets date require disclosure in the accompanying notes. Management of the Calhoun County, Mississippi, evaluated the activity of the county through the date the report was available to be issued, and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements:

- 1) In February 2011, the Calhoun County Board of Supervisors was approved for a \$3 million line of credit through the United States Department of Agriculture. This funding has been obtained for the construction of a new courthouse. The county will make a series of draws up to the line of credit limit amount to pay periodic billings of capital construction and related items as they are billed. As of August 16, 2011, the county has made five draws totaling \$1,010,881.48. Financing arrangements will be made by the county either when the line of credit has been fully drawn or upon project completion, whichever occurs first. Interest accrues on the amounts drawn from the line of credit.
- 2) Issue date: 6/16/2011  
Interest Rate: 2.85%  
Issue amount: \$114,224  
Type of Financing: capital lease  
Source of Financing: ad valorem taxes

REQUIRED SUPPLEMENTARY INFORMATION

**CALHOUN COUNTY**

Budgetary Comparison Schedule

Budget and Actual (Non-GAAP Basis)

General Fund

For the Year Ended September 30, 2010

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Property Taxes	\$ 2,193,419	2,412,419	2,412,982	219,000	563
Licenses, Commissions and other Revenues	48,000	48,000	60,976	-	12,976
Fines and Forfeitures	250,000	287,162	312,889	37,162	25,727
Intergovernmental Revenues	375,000	375,000	671,242	-	296,242
Charges for Services	90,000	90,000	42,966	-	(47,034)
Interest	85,000	85,000	53,697	-	(31,303)
Miscellaneous Revenues	30,000	30,000	105,014	-	75,014
<b>Total Revenues</b>	<b>3,071,419</b>	<b>3,327,581</b>	<b>3,659,766</b>	<b>256,162</b>	<b>332,185</b>
<b>Expenditures:</b>					
General Government	2,683,414	2,867,457	2,830,430	(184,043)	37,027
Public Safety	815,716	699,254	691,976	116,462	7,278
Health and Welfare	149,151	158,646	150,548	(9,495)	8,098
Culture and Recreation	1,000			1,000	-
Education	230,000	230,000	221,578	-	8,422
Conservation of Natural Resources	72,408	74,494	70,737	(2,086)	3,757
Economic Development and Assistance	19,730	19,730	19,730	-	-
<b>Total Expenditures</b>	<b>3,971,419</b>	<b>4,049,581</b>	<b>3,984,999</b>	<b>(78,162)</b>	<b>64,582</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(900,000)</b>	<b>(722,000)</b>	<b>(325,233)</b>	<b>178,000</b>	<b>396,767</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sales of Capital Assets			1,175	-	1,175
Transfers In			160,000	-	160,000
Transfers Out		(178,000)	(491,157)	(178,000)	(313,157)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(178,000)</b>	<b>(329,982)</b>	<b>(178,000)</b>	<b>(151,982)</b>
<b>Net Change in Fund Balances</b>	<b>(900,000)</b>	<b>(900,000)</b>	<b>(655,215)</b>	<b>-</b>	<b>244,785</b>
<b>Fund Balances:</b>					
October 1, 2009	900,000	900,000	2,169,778	-	1,269,778
September 30, 2010	\$ -	-	1,514,563	-	1,514,563

The notes to the required supplementary information are an integral part of this statement.

## Calhoun County, Mississippi

Notes to the Required Supplementary Information  
For the year ended September 30, 2010

### A. Budgetary Information.

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

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

### B. Basis of Presentation.

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

## Calhoun County, Mississippi

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2010

The following schedule reconciles the net change in Fund Balances for the budgetary basis schedules to the GAAP basis financial statements for the General Fund.

	Governmental Fund Type
	<u>General Fund</u>
Budget (Cash Basis)	\$ <u>(655,215)</u>
Increase (Decrease)	
Net adjustments for revenue accruals	(15,758)
Net adjustments for expenditure accruals	323,967
Other Reconciling Items:	
Fund Reclassification	<u>(253,274)</u>
GAAP Basis	\$ <u><u>(600,280)</u></u>

## SPECIAL REPORTS

**FORTENBERRY AND BALLARD, PC**  
Certified Public Accountants

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  
Calhoun County, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Calhoun County, Mississippi, as of and for the year ended September 30, 2010, which collectively comprise the county's basic financial statements and have issued our report thereon dated August 5, 2011. We did not audit the financial statements of the Calhoun County Health Services, a component unit which represents 100 percent of the assets, net assets and revenues of the component unit column. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar, as it relates to the amounts included for the aforementioned component unit, is based on the reports of the other auditors. 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.

Internal Control Over Financial Reporting

Management of the Calhoun County, Mississippi is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Calhoun County, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be material weaknesses. [Findings **2010-1, 2010-2, 2010-3** and **2010-4**.

A significant deficiency is a deficiency, or 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.

#### Compliance and Other Matters

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

However, we noted certain matters that we reported to the management of Calhoun County, Mississippi, in the Independent Auditor's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated August 5, 2011, included within this document.

Calhoun County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit Calhoun County's responses and, accordingly, we express no opinion on them.

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

*FORTENBERRY & BALLARD, PC*

Fortenberry and Ballard PC  
August 5, 2011

Certified Public Accountants

**FORTENBERRY AND BALLARD, PC**  
**Certified Public Accountants**

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  
Calhoun County, Mississippi

We have made a study and evaluation of the central purchasing system and inventory control system of Calhoun County, Mississippi, as of and for the year ended September 30, 2010. 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 Calhoun 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 Calhoun 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 finding and recommendation and your response is as follows:

**Inventory Control Clerk:**

Finding #1:

Section 31-7-107, Miss. Code Ann. (1972), requires the inventory control clerk to maintain an inventory system. Control procedures are inadequate for maintaining adequate subsidiary records documenting the existence, completeness and valuation of governmental activities capital assets. The following items were noted while performing audit procedures on county inventory:

1. Construction-in-progress activity for six bridge replacement projects, both completed and ongoing, was not added to county inventory subsidiary records.

2. One capital asset was not recognized as being transferred from a lease-purchase asset classification to mobile equipment classification upon final payment being made on said lease-purchase debt instruments.

Adjustments were made to county records totaling \$1,883,184. This amount represents approximately 17.5% of the \$10,748,597 in net governmental activities capital assets not being recognized on county records. Without adequate control procedures in place over inventory of governmental activities capital assets, the risk increases that inaccurate information may be reported and loss or misappropriation of public assets could occur.

Recommendation:

The Inventory Control Clerk should establish adequate control procedures to document the existence, completeness and valuation of capital assets. Records should be maintained by the inventory control clerk documenting ongoing and completed construction-in-progress on county projects. Capital assets classified as lease-purchases should be transferred over to the appropriate asset classification upon completion of the debt agreement and transfer of asset title.

Inventory Control Clerk's Response:

I will comply with Section 31-7-107, Miss. Code Ann. (1972).

In our opinion, except for the noncompliance referred to in the preceding paragraph, Calhoun 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.

Calhoun County's response to the finding included in this report was not audited, and accordingly, we express no opinion on it.

This report is intended for use in evaluating the central purchasing system and inventory control system of Calhoun 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.

*Fortenberry & Ballard, PC*

Fortenberry and Ballard, PC  
August 5, 2011

Certified Public Accountants

**Calhoun County, Mississippi**

**Schedule 1**

Schedule of Purchases Not Made From the Lowest Bidder  
For the Year Ended September 30, 2010

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

**Calhoun County, Mississippi**  
**Schedule 2**  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2010

Our test results did not identify any emergency purchases.

**Calhoun County, Mississippi**

**Schedule 3**

Schedule of Purchases Made Noncompetitively From a Sole Source

For the Year Ended September 30, 2010

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11-03-09	CRS-2, Asphalt	\$ 9,986.38	Ergon, Inc.
11-20-09	CRS-2P, Asphalt	\$ 11,475.09	Ergon, Inc.
01-13-10	CRS-2, Asphalt	\$ 10,063.65	Ergon, Inc.
03-08-10	CRS-2, Asphalt	\$ 11,172.08	Ergon, Inc.

**FORTENBERRY AND BALLARD, PC**  
Certified Public Accountants

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

Members of the Board of Supervisors  
Calhoun County, Mississippi

In planning and performing our audit of the financial statements of Calhoun County, Mississippi for the year ended September 30, 2010, we considered Calhoun County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Calhoun 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 August 5, 2011, on the financial statements of Calhoun County, Mississippi.

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

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our finding and recommendation and your response is disclosed below:

**Board of Supervisors.**

1. Finding  
Section 19-3-27, Miss. Code Ann. (1972), requires the board minutes to be a complete and correct record of all proceedings of the Board of Supervisors. Interfund transfers (loans) were made without board orders spread on the minutes.

Recommendation:

The Board of Supervisors should spread orders on the minutes relative to interfund transfers (loans).

Board of Supervisor's Response:

The Board will make sure all interfund transfers are placed in the minutes with Board approval.

**AICPA & MSCPA**

1929 Spillway Road, Suite B, Brandon, MS 39047, 601-992-5292, Fax 601-992-2033

2. Finding  
Section 27-39-329(2)b, Miss. Code Ann. (1972), requires the Board of Supervisors to levy each year an ad valorem tax of one (1) mill to be used for any purpose allowed by law, but the avails of such levy shall not be expended until certification by the Department of Revenue. The levy proceeds were expended prior to receipt of Department of Revenue certification.

Recommendation:

The Board of Supervisors should comply with the certification requirements of this section before expenditures are made.

Board of Supervisor's Response:

We will comply.

**Chancery Clerk.**

3. Finding  
Section 9-1-45, Miss. Code Ann. (1972), requires the Chancery Clerk to file a true and accurate fee report with the Office of the State Auditor no later than April 15th of the following year. Per confirmation performed August 15, 2011, the 2010 fee report that should have been filed no later than April 15, 2011 has not been filed with the Office of the State Auditor.

Recommendation:

The Chancery Clerk should file a 2010 fee report with the Office of the State Auditor and file subsequent year reports no later than April 15th of the following year.

Chancery Clerk's Response:

No response provided by prior Chancery Clerk.

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

*Fortenberry & Ballard, PC*

Fortenberry and Ballard, PC  
August 5, 2011

Certified Public Accountants

## SCHEDULE OF FINDINGS AND RESPONSES

**Calhoun County, Mississippi**  
Schedule of Findings and Responses  
For the Year Ended September 30, 2010

Section 1: Summary of Auditor's Results

**Financial Statements:**

1. Type of auditor's report issued on the financial statements: **Unqualified**
2. Internal control over financial reporting:
  - a. Material weaknesses identified? **Yes.**
  - b. Significant deficiencies identified that are not considered to be material weaknesses? **None reported.**
3. Noncompliance material to the financial statements? **No.**

Section 2: Financial Statements Findings

**Material Weaknesses**

**Board of Supervisors**

2010-1 Finding

An effective system of internal control over financial reporting should ensure that county personnel are capable of performing accounting functions, preparing the financial statements and the notes to the financial statements in accordance with generally accepted accounting principles and possess the necessary accounting expertise to prevent, detect and correct a potential misstatement in the financial statements or notes. While county personnel are capable of performing accounting functions and have a basic understanding of the financial statements and related note disclosures, they lack the expertise to actually gather all pertinent information from the various sub-offices within the county government and prepare the consolidated financial statements that are necessary for proper presentation in accordance with applicable standards. Failure to ensure that county personnel have the necessary expertise in financial accounting and reporting could result in misstatements in the financial statements or notes to the financial statements.

**Recommendation:**

The Board of Supervisors should ensure that county personnel responsible for financial accounting and reporting are capable of performing accounting functions including the preparation of the financial statements and the notes to the financial statements in accordance with generally accepted accounting principles. They should also ensure that accounting personnel possess the necessary accounting expertise to prevent, detect and correct a potential misstatement in the financial statements or notes.

Board of Supervisor's Response:

From a financial standpoint, we will decide as to whether we will have the financials prepared by a CPA in the future.

**Board of Supervisors**

2010-2 Finding

The county has some interfund loans outstanding that are over one year old. These loans were made when the county experienced negative cash flows in various funds. However, the loans were not repaid when sufficient funds were received by the county. The Mississippi Code is silent regarding the authority of the county to make these loans.

Recommendation:

Failure of the Board of Supervisors to ensure repayment of these loans is an improper use of legally restricted funds. The Board of Supervisors should ensure that each of these old loans is repaid by approving and recording in the board minutes a repayment schedule and subsequent compliance with the repayment schedule.

Board of Supervisor's Response:

We will prepare a repayment schedule and will make the appropriate payments back to the appropriate funds.

**Chancery Clerk**

2010-3 Finding

An effective system of internal control over financial reporting should include an adequate separation of duties in the collection, deposit preparation, disbursement, recording and reconciling functions. There is no adequate segregation of duties in the handling of transactions. The lack of segregation of duties increases the chances that funds could be mishandled.

Recommendation:

The Chancery Clerk should ensure there is adequate segregation of duties in the collection, deposit preparation, disbursement, recording and reconciling functions. If segregation of duties is not possible, another employee or the Chancery Clerk should review receipts, disbursements and reconciliations periodically and investigate any unusual items.

Chancery Clerk's Response:

The Chancery Clerk will make sure appropriate internal controls are put in place so that adequate separation of duties can be performed by two or more employees in the office.

## **Inventory Control Clerk**

### 2010-4 Finding

An effective system of internal control over inventory system includes maintenance of accurate records. During the current fiscal year, additional construction-in-progress occurred with three projects completed and three projects currently in progress. As a result, an adjustment was proposed by the auditor and accepted by management. Failure to maintain an effective inventory control system could result in the reporting of inaccurate amounts and increases the possibility of the loss or misappropriation of public funds.

### Recommendation:

The Inventory Control Clerk should implement procedures necessary to maintain accurate inventory records.

### Inventory Control Clerk's Response:

In the future we will contact our County Engineer to get all construction-in-progress and to also pick up any completed projects.