

_____ COUNTY, MISSISSIPPI

**Audited Financial Statements and Special Reports
For the Year Ended September 30, 2009**

@COUNTY COUNTY

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@COUNTY COUNTY

FINANCIAL SECTION

@COUNTY COUNTY

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INDEPENDENT AUDITOR'S REPORT

Adverse opinion on the basic financial statements of a primary government that omits the financial data of each discrete component unit and that does not issue audited financial statements for the reporting entity.

Members of the Board of Supervisors
@County County, Mississippi

Use with all type reports

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of @County County, Mississippi, as of and for the year ended September 30, 2009, which collectively comprise the basic financial statements of the county's primary government as listed in the table of contents. These financial statements are the responsibility of the county's management. Our responsibility is to express opinions on these financial statements based on our audit.

Use with all type reports

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

Unqualified opinions

The financial statements do not include financial data for the county's legally separate component unit(s). Accounting principles generally accepted in the United States of America require the financial data for this(those) component unit(s) to be reported with the financial data of the county's primary government unless the county also issues financial statements for the financial reporting entity that include the financial data for its component unit(s). The county has not issued such reporting entity financial statements. ~~(Auditor Note: Select and complete this sentence only if audited financial statements are available for ALL discrete component units.)~~ Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units would have been presented as _____, _____, _____, _____ and _____. ~~(Auditor Note: Select this sentence if audited financial statements are NOT available for ALL discrete component units.)~~ The amount by which this departure would affect the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable.

In our opinion, because of the omission of the discretely presented component unit(s), as discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of @County County, Mississippi, as of September 30, 2009, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of @County County, Mississippi, as of September 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

~~For Qualifications to the Opinion delete paragraphs above and include qualification opinions.~~
(NOTE TO AUDITOR: Edit or delete the following paragraph as needed.)

As discussed in Note 2, the county adopted the provisions of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

In accordance with *Government Auditing Standards*, we have also issued our report dated @Date, on our consideration of @County 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.

~~(NOTE TO AUDITOR: Edit the following paragraph(s) to describe the required supplemental information. RSI is management's discussion and analysis, the budgetary comparison and the Schedule of Funding Progress—Other Postemployment Benefits.)~~

~~Omission of Required supplementary Information~~

~~@County County, Mississippi, has not presented Management's Discussion and Analysis, the Budgetary Comparison Schedule(s) and the corresponding notes, and the Schedule of Funding Progress—Other Postemployment Benefits that (is/are) not a required part of the basic financial statements but (is/are) supplementary information required by the Governmental Accounting Standards Board.~~

~~Required Supplemental Information exists or Material Departures from Guidelines~~

~~The Management's Discussion and Analysis, the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of 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. (NOTE TO AUDITOR: Include the next sentence if a material departure exists.) As a result of such limited procedures, we believe that the Management's Discussion and Analysis, the Budgetary Comparison Schedule(s), and the Schedule of Funding Progress—Other Postemployment Benefits (is/are) not in conformity with the requirements of the Governmental Accounting Standards Board because (describe reason not in conformity)~~

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

@Date

~~(Note: For modifications to the Independent Auditor's Report refer to the AICPA Audit and Accounting Guide on Audits of State and Local Governments)~~

INDEPENDENT AUDITOR'S REPORT

Unqualified opinions on the basic financial statements – No component units.

Members of the Board of Supervisors
@County County, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of @County County, Mississippi, as of and for the year ended September 30, 2009, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Unqualified opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of @County County, Mississippi, as of September 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

FOR Qualifications to the Opinion, delete 3rd paragraph and include qualification opinion(s). (NOTE TO AUDITOR: Edit or delete the following paragraph as needed.)

As discussed in Note 2, the county adopted the provisions of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

In accordance with *Government Auditing Standards*, we have also issued our report dated @Date, on our consideration of @County 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.

~~(NOTE TO AUDITOR: Edit the following paragraph(s) to describe the required supplemental information. RSI is management's discussion and analysis, the budgetary comparison and the Schedule of Funding Progress— Other Postemployment Benefits.)~~

Omission of Required supplementary Information

@County County, Mississippi, has not presented Management's Discussion and Analysis, ~~the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress— Other Postemployment Benefits~~ that ~~(is/are)~~ not a required part of the basic financial statements but ~~(is/are)~~ supplementary information required by the Governmental Accounting Standards Board.

Required Supplemental Information exists or Material Departures from Guidelines

The Management's Discussion and Analysis, the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of 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. ~~(NOTE TO AUDITOR: Include the next sentence if a material departure exists.) As a result of such limited procedures, we believe that the Management's Discussion and Analysis, the Budgetary Comparison Schedule(s), and the Schedule of Funding Progress— Other Postemployment Benefits (is/are) not in conformity with the requirements of the Governmental Accounting Standards Board because (describe reason not in conformity)~~

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

@Date

(Note: For modifications to the Independent Auditor's Report refer to the AICPA Audit and Accounting Guide on Audits of State and Local Governments)

INDEPENDENT AUDITOR'S REPORT

~~Unqualified opinion on financial statements, with reference to an audit by another auditor.~~

Members of the Board of Supervisors
@County County, Mississippi

We have audited the accompanying 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 @County County, Mississippi, as of and for the year ended September 30, 2009, 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 _____, _____, component units, which represent __ percent, __ percent, and __ percent, respectively, of the assets, net assets, and revenues of the (identify the governmental and/or proprietary component units). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion(s), insofar as it (they) relate(s) to the amounts included for the aforementioned component units, is (are) 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. ~~However, the financial statements of _____, _____, component units, audited by other auditors were not audited in accordance with *Government Auditing Standards*.~~ 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 provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of @County County, Mississippi, as of September 30, 2009, and the respective changes in financial position, ~~and, where applicable, cash flows~~ thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

(NOTE TO AUDITOR: Edit or delete the following paragraph as needed.)

As discussed in Note 2, the county adopted the provisions of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

In accordance with *Government Auditing Standards*, we have also issued our report dated @Date, on our consideration of @County 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.

~~(NOTE TO AUDITOR: Edit the following paragraph(s) to describe the required supplemental information. RSI is management's discussion and analysis, the budgetary comparison and the Schedule of Funding Progress—Other Postemployment Benefits.)~~

~~Omission of Required supplementary Information~~

~~@County County, Mississippi, has not presented Management's Discussion and Analysis, the Budgetary Comparison Schedule and corresponding notes, and the Schedule of Funding Progress—Other Postemployment Benefits that (is/are) not a required part of the basic financial statements but (is/are) supplementary information required by the Governmental Accounting Standards Board.~~

~~Required Supplemental Information exists or Material Departures from Guidelines~~

~~The Management's Discussion and Analysis, the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits 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. (NOTE TO AUDITOR: Include the next sentence if a material departure exists.) As a result of such limited procedures, we believe that the Management's Discussion and Analysis, the Budgetary Comparison Schedule(s), and the Schedule of Funding Progress— Other Postemployment Benefits (is/are) not in conformity with the requirements of the Governmental Accounting Standards Board because (describe reason not in conformity)~~

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

@Date

~~(Note: For modifications to the Independent Auditor's Report refer to the AICPA Audit and Accounting Guide on Audits of State and Local Governments)~~

INDEPENDENT AUDITOR'S REPORT

~~Qualified or Adverse opinion because one (but not all) discretely presented component units are not audited.~~

Members of the Board of Supervisors
@County County, Mississippi

We have audited the accompanying 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 @County County, Mississippi, as of and for the year ended September 30, 2009, 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.

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

The financial statements of (identify component unit or units's omitted) have not been audited, and we were not engaged to audit the (identify the component unit or units) financial statements as part of our audit of the county's basic financial statements. The (identify component unit or unit's omitted) financial activities are included in the county's basic financial statements as a discretely presented component unit and represent XX percent, XX percent, and XX percent of the assets, net assets, and revenues, respectively, of the county's aggregate discretely presented component units.

~~For other qualifications, see the previous report~~

~~* QUALIFIED OPINION PARAGRAPH:~~

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the (identify the component unit or units) financial statements been audited, the financial statements referred to previously present fairly, in all material respects, the financial position of the aggregate discretely presented component units for @County County, Mississippi, as of September 30, 2009, and the changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

~~** DISCLAIMER OF OPINION ON THE AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS BUT NOT ON THE FINANCIAL STATEMENTS TAKEN AS A WHOLE (Use the following paragraph instead of the paragraph above)~~

Because (identify the component unit or units) financial statements have not been audited, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the aggregate discretely presented component units of @County County, Mississippi, as of and for the year ended September 30, 2009.

In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for @County, County, Mississippi, as of September 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(NOTE TO AUDITOR: Edit or delete the following paragraph as needed.)

As discussed in Note 2, the county adopted the provisions of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

In accordance with *Government Auditing Standards*, we have also issued our report dated @Date, on our consideration of @County 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.

~~(NOTE TO AUDITOR: Edit the following paragraph(s) to describe the required supplemental information. RSI is management's discussion and analysis, the budgetary comparison and the Schedule of Funding Progress—Other Postemployment Benefits.)~~

Omission of Required supplementary Information

@County County, Mississippi, has not presented Management's Discussion and Analysis, the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress—Other Postemployment Benefits that (is/are) not a required part of the basic financial statements but (is/are) supplementary information required by the Governmental Accounting Standards Board.

Required Supplemental Information exists or Material Departures from Guidelines

The Management's Discussion and Analysis, the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of 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. ~~(NOTE TO AUDITOR: Include the next sentence if a material departure exists.) As a result of such limited procedures, we believe that the Management's Discussion and Analysis, the Budgetary Comparison Schedule(s), and the Schedule of Funding Progress—Other Postemployment Benefits (is/are) not in conformity with the requirements of the Governmental Accounting Standards Board because (describe reason not in conformity)~~

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

@Date

(Note: For modifications to the Independent Auditor's Report refer to the AICPA Audit and Accounting Guide on Audits of State and Local Governments)

INDEPENDENT AUDITOR'S REPORT

Report on basic financial statements that includes a qualified opinion on the governmental activities because other postemployment benefit obligations are omitted. No component units. (This example only addresses a qualified opinion on governmental activities. However, if the county has enterprise funds that would be affected by OPEB, you will need to modify this report to address business-type activities also.)

Members of the Board of Supervisors
@County County, Mississippi

Use with all type reports

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of @County County, Mississippi, as of and for the year ended September 30, 2009, which collectively comprise the basic financial statements of the county's primary government as listed in the table of contents. These financial statements are the responsibility of the county's management. Our responsibility is to express opinions on these financial statements based on our audit.

Use with all type reports

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

Qualified opinion

As discussed in Note 14 to the financial statements, the county has not recorded a liability for other postemployment benefits in the governmental activities and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net assets and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net assets and expenses of the governmental activities is not reasonably determinable.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of @County County, Mississippi, as of September 30, 2009, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the the business-type activities, each major fund and the aggregate remaining fund information of @County County, Mississippi, as of September 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

~~For Other Qualifications to the Opinion delete paragraphs above and include qualification opinions.~~

(NOTE TO AUDITOR: Edit or delete the following paragraph as needed.)

As discussed in Note 2, the county adopted the provisions of Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

In accordance with *Government Auditing Standards*, we have also issued our report dated @Date, on our consideration of @County 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.

~~(NOTE TO AUDITOR: Edit the following paragraph(s) to describe the required supplemental information. RSI is management's discussion and analysis, the budgetary comparison, and the Schedule of Funding Progress—Other Postemployment Benefits.)~~

~~**Omission of Required supplementary Information**~~

~~@County County, Mississippi, has not presented Management's Discussion and Analysis, the Budgetary Comparison Schedule(s) and the corresponding notes, and the Schedule of Funding Progress—Other Postemployment Benefits that (is/are) not a required part of the basic financial statements but (is/are) supplementary information required by the Governmental Accounting Standards Board.~~

~~**Required Supplemental Information exists or Material Departures from Guidelines**~~

~~The Management's Discussion and Analysis, the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of 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. (NOTE TO AUDITOR: Include the next sentence if a material departure exists.) As a result of such limited procedures, we believe that the Management's Discussion and Analysis, the Budgetary Comparison Schedule(s), and the Schedule of Funding Progress—Other Postemployment Benefits (is/are) not in conformity with the requirements of the Governmental Accounting Standards Board because (describe reason not in conformity)~~

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

@Date

(Note: For modifications to the Independent Auditor's Report refer to the AICPA Audit and Accounting Guide on Audits of State and Local Governments)

@COUNTY COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

~~(NOTE TO AUDITOR: The Management's Discussion and Analysis (MD&A) should be prepared by the County's management. We should not be involved in the preparation of this document. We will be responsible for verifying required information is included and verifying the financial information is in material compliance with the audited financial statements.~~

~~Obtain MD&A in electronic form, as well as a written copy.~~

~~If the County fails to provide their MD&A, be sure to edit the applicable sentence in the opinion report to explain the county's situation.)~~

@COUNTY COUNTY

FINANCIAL STATEMENTS

SAMPLE COUNTY
Statement of Net Assets
September 30, 2009

Exhibit 1

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit(s) Fund
ASSETS				
Cash	\$		0	
Investments			0	
Cash with fiscal agent			0	
Accrued interest receivable			0	
Property tax receivable			0	
Accounts receivable (net of allowance for uncollectibles of \$)			0	
Fines receivable (net of allowance for uncollectibles of \$)			0	
Loans receivable			0	
Capital leases receivable			0	
Intergovernmental receivables			0	
Other receivables			0	
Internal balances			0	
Inventories and prepaid items			0	
Restricted assets			0	
Capital assets:			0	
Land and construction in progress			0	
Other capital assets, net			0	
Total Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
LIABILITIES				
Claims payable			0	
Liabilities payable from restricted assets			0	
Retainage payable			0	
Intergovernmental payables			0	
Matured bonds and interest payable			0	
Accrued interest payable			0	
Deferred revenue			0	
Unearned revenue			0	
Amounts held in custody for others			0	
Other payables			0	
Claims and judgments payable			0	
Long-term liabilities			0	
Other postemployment benefits payable			0	
Due within one year:			0	
Capital debt			0	
Non-capital debt			0	
Due in more than one year:			0	
Capital debt			0	
Non-capital debt			0	
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS				
Invested in capital assets, net of related debt	0	0	0	0
Restricted:				
Expendable:				
General government			0	
Debt service			0	
Public safety			0	
Public works			0	
Health and welfare			0	
Culture and recreation			0	
Conservation of natural resources			0	
Economic development			0	
Unemployment compensation			0	
Capital projects			0	
Other purposes			0	
Nonexpendable			0	
Unrestricted			0	
Total Net Assets	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

SAMPLE COUNTY
Statement of Activities
For the Year Ended September 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit(s)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$				0		0
Public safety					0		0
Public works					0		0
Health and welfare					0		0
Culture and recreation					0		0
Education					0		0
Conservation of natural resources					0		0
Economic development and assistance					0		0
Interest on long-term debt					0		0
Total Governmental Activities	0	0	0	0	0		0
Business-type activities:							
NAME OF ACTIVITY (ex. Solid waste)					0		0
NAME OF ACTIVITY (ex. Solid waste)					0		0
NAME OF ACTIVITY (ex. Solid waste)					0		0
Total Business-type Activities	0	0	0	0	0		0
Total Primary Government	0	0	0	0	0		0
Component unit(s):							
Name	\$						
Name	\$						
Total Component Units	0	0	0	0	0		0
General revenues							\$
Property taxes							0
Road & bridge privilege taxes							0
Grants and contributions not restricted to specific programs							0
Unrestricted gifts and donations							0
Unrestricted interest income							0
Unrestricted investment income							0
Miscellaneous							0
Contributions to permanent funds							0
Special item (GIVE DESCRIPTION)							0
Extraordinary item (GIVE DESCRIPTION)							0
Transfers							0
Total General Revenues, Special Item, Extraordinary Item and Transfers					0		0
Changes in Net Assets					0		0
Net Assets - Beginning							0
Fund reclassification							0
Prior period adjustment(s)							0
Net Assets - Beginning, as restated					0		0
Net Assets - Ending	\$				0		0

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

SAMPLE COUNTY
 Balance Sheet - Governmental Funds
 September 30, 2009

Exhibit 3

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Fund	Fund	Fund		
ASSETS						
Cash	\$					0
Investments						0
Cash with fiscal agent						0
Accrued interest receivable						0
Property tax receivable						0
Accounts receivable (net of allowance for uncollectibles of \$)						0
Fines receivable (net of allowance for uncollectibles of \$)						0
Loans receivable						0
Capital lease receivable						0
Intergovernmental receivables						0
Other receivables						0
Due from other funds						0
Advances to other funds						0
Inventories and prepaid items						0
Restricted assets						0
Total Assets	\$	0	0	0	0	0
LIABILITIES AND FUND BALANCES						
Liabilities:						
Claims payable	\$					0
Liabilities payable from restricted assets						0
Retainage payable						0
Intergovernmental payables						0
Due to other funds						0
Advances from other funds						0
Matured bonds and interest payable						0
Deferred revenue						0
Unearned revenue						0
Amounts held in custody for others						0
Other payables						0
Claims and judgments payable						0
Total Liabilities		0	0	0	0	0
Fund balances:						
Reserved for:						
Debt service						0
Loans receivable						0
Advances						0
Unemployment compensation						0
Other						0
Unreserved - undesignated, reported in:						
General Fund						0
Special Revenue Funds						0
Capital Project Funds						0
Permanent funds						0
Total Fund Balances		0	0	0	0	0
Total Liabilities and Fund Balances	\$	0	0	0	0	0

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

SAMPLE COUNTY

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2009

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 0
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$ ____.	0
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	0
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	0
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable is not due and payable in the current period and, therefore, are not reported in the funds.	0
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	0
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Assets.	<u>0</u>
Total Net Assets - Governmental Activities	\$ <u><u>0</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 For the Year Ended September 30, 2009

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Fund	Fund	Fund		
REVENUES						
Property taxes	\$					0
Road and bridge privilege taxes						0
Licenses, commissions and other revenue						0
Fines and forfeitures						0
Special assessments						0
Contributions to permanent funds						0
Intergovernmental revenues						0
Charges for services						0
Interest income						0
Miscellaneous revenues						0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES						
Current:						
General government						0
Public safety						0
Public works						0
Health and welfare						0
Culture and recreation						0
Education						0
Conservation of natural resources						0
Economic development and assistance						0
Debt service:						0
Principal						0
Interest						0
Bond issue costs						0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Excess of Revenues over (onder) Expenditures	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued						0
Long-term non-capital debt issued						0
Refunding bonds issued						0
Proceeds from sale of capital assets						0
Premiums on bonds issued						0
Compensation for loss of capital assets						0
Transfers in						0
Transfers out						0
Lease principal payments						0
Payment to bond refunding eserow agent						0
Discount on bonds issued						0
Total Other Financing Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SPECIAL ITEM (describe)						
						0
EXTRAORDINARY ITEM (describe)						
						0
Net Changes in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning						
Fund reclassification						0
Prior period adjustment(s)						0
Fund Balances - Beginning, as restated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

SAMPLE COUNTY

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2009

Exhibit 4-1

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 0
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net assets differs from the change in fund balances by the amount that capital outlays of \$ _____ exceeded depreciation of \$ _____ in the current period.	0
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balances by the amount of the net (gain/ loss) of \$ _____ and the proceeds from the sale of \$ _____ in the current period.	0
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	0
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	0
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Thus, the change in net assets differs from the change in fund balances by the amount that debt repayments of \$ _____ exceeded debt proceeds of \$ _____.	0
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net assets differs from the change in fund balances by a combination of the following items:	
(describe reason for change)	0
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net assets differs from change in fund balances by the principal collections on the capital leases.	0
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities.	0
An adjustment (explain if applicable)	<u>0</u>
Change in Net Assets of Governmental Activities	\$ <u>0</u>

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

SAMPLE COUNTY
Statement of Net Assets - Proprietary Fund(s)
September 30, 2009

Exhibit 5

	Business-type Activities - Enterprise Fund(s)			Governmental Activities
	Major Fund	Other Fund(s)	Total	Internal Service Fund(s)
ASSETS				
Current assets:				
Cash	\$		0	
Investments			0	
Cash with fiscal agent			0	
Accrued interest receivable			0	
Property tax receivable			0	
Accounts receivable (net of allowance for uncollectibles of \$)			0	
Intergovernmental receivables			0	
Other receivables			0	
Due from other funds			0	
Advances to other funds			0	
Inventories and prepaid items			0	
Total Current Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Noncurrent assets:				
Loans receivable			0	
Capital leases receivable			0	
Prepaid expenses			0	
Restricted assets			0	
Capital assets:				
Land and construction in progress			0	
Other capital assets, net			0	
Total Noncurrent Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
LIABILITIES				
Current liabilities:				
Claims payable			0	
Retainage payable			0	
Intergovernmental payables			0	
Due to other funds			0	
Advances from other funds			0	
Accrued interest payable			0	
Deferred revenue			0	
Unearned revenue			0	
Other payables			0	
Capital debt:				
Equipment notes payable			0	
Capital leases payable			0	
Other long-term liabilities			0	
Non-capital debt:				
Compensated absences payable			0	
Claims and judgments payable			0	
Other long-term liabilities			0	
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Noncurrent liabilities:				
Other postemployment benefits payable			0	
Liabilities payable from restricted assets			0	
Capital debt:				
Equipment notes payable			0	
Capital leases payable			0	
Other long-term liabilities			0	
Non-capital debt:				
Compensated absences payable			0	
Claims and judgments payable			0	
Other long-term liabilities			0	
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS				
Invested in capital assets, net of related debt	0	0	0	0
Restricted for:				
Debt service			0	
Public safety			0	
Public works			0	
Unrestricted			0	
Total Net Assets	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

SAMPLE COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund(s)
For the Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Fund	Other Fund(s)	Totals	Internal Service Fund(s)
Operating Revenues				
Charges for services	\$		0	
Charges for sales			0	
Donations			0	
Premiums			0	
Miscellaneous			0	
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses				
Cost of sales			0	
Personal services			0	
Contractual services			0	
Materials and supplies			0	
Depreciation expense			0	
Indirect administrative cost			0	
Closure and postclosure expense			0	
Claims payments			0	
Administrative			0	
Insurance premiums			0	
Miscellaneous			0	
Total Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Income (Loss)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Nonoperating Revenues (Expenses)				
Property tax			0	
Interest income			0	
Intergovernmental grants			0	
Gifts and donations			0	
Gain (loss) on sale of capital assets			0	
Interest expense			0	
Other income (expenses)			0	
Net Nonoperating Revenue (Expenses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Income (Loss) Before Capital Contributions, Special and Extraordinary Items and Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital contributions			0	
Special item(s) (describe)			0	
Extraordinary item(s) (describe)			0	
Transfers in			0	
Transfers out			0	
Changes in Net Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets - Beginning			0	
Fund reclassification				
Prior period adjustment(s)			0	
Net Assets - Beginning, as restated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets - Ending	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

SAMPLE COUNTY
Statement of Cash Flows - Proprietary Fund(s)
For the Year Ended September 30, 2009

Exhibit 7

	Business-type Activities - Enterprise Funds			Governmental
	Major Fund	Other Fund(s)	Totals	Internal Service Fund(s)
Cash Flows From Operating Activities				
Receipts from customers			0	
Receipts for premiums			0	
Receipts from internal services provided			0	
Payments to suppliers			0	
Payments to employees			0	
Payments for claims			0	
Payments to administrator for services			0	
Payments for insurance premiums			0	
Payments in lieu of taxes			0	
Payments to General Fund for indirect costs			0	
Internal activity - payments to other funds			0	
Other operating cash receipts			0	
Other operating cash payments			0	
Net Cash Provided (Used) by Operating Activities	0	0	0	0
Cash Flows From Noncapital Financing Activities				
Proceeds of long-term debt			0	
Proceeds of short-term debt			0	
Intergovernmental grants received			0	
Cash received from property taxes			0	
Cash received from other funds:				
Operating transfers in			0	
Loans from other funds			0	
Interfund loan repayments			0	
Principal paid on long-term debt			0	
Principal paid on short-term debt			0	
Interest expense			0	
Cash paid to other funds:				
Operating transfers out			0	
Loans made to other funds			0	
Interfund loan repayments			0	
Other receipts			0	
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	0
Cash Flows From Capital and Related Financing Activities				
Proceeds of long-term debt			0	
Proceeds of short-term debt			0	
Capital grants received			0	
Proceeds from sale of capital assets			0	
Acquisition and construction of capital assets			0	
Principal paid on long-term debt			0	
Principal paid on short-term debt			0	
Interest paid on debt			0	
Other receipts (payments)			0	
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	0	0
Cash Flows From Investing Activities				
Proceeds from sale and maturities of investments			0	
Interest on deposits			0	
Interest and dividends on investments			0	
Purchase of investment securities			0	
Net Cash Provided (Used) by Investing Activities	0	0	0	0

Net Increase (Decrease) in Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents at Beginning of Year			0	
Adjustments to Beginning of Year Cash Due to Fund Reclassification			0	
Cash and Cash Equivalents at End of Year	\$	<u>0</u>	<u>0</u>	<u>0</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$		0	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense			0	
Amortization expense			0	
Closure and postclosure expense			0	
Provision for uncollectible accounts			0	
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable			0	
(Increase) decrease in other receivables			0	
(Increase) decrease in prepaid expenses			0	
(Increase) decrease in inventory			0	
Increase (decrease) in claims payable			0	
Increase (decrease) in claims and judgments liability			0	
Increase (decrease) in compensated absences liability			0	
Increase (decrease) in unearned revenue			0	
Increase (decrease) in interfund payables			0	
Total Adjustments		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	\$	<u>0</u>	<u>0</u>	<u>0</u>

Noncash Capital Financing Activity:
Sample County lease purchased mobile equipment for \$ for years at % interest.
Principal payments of \$ were made on the lease during the year.

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

SAMPLE COUNTY
Statement of Fiduciary Assets and Liabilities
September 30, 2009

Exhibit 8

	<u>Private-purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and investments	\$	
Accrued interest receivable		
Intergovernmental receivables		
Due from other funds		
Other receivables		
Total Assets	\$ <u>0</u>	<u>0</u>
LIABILITIES		
Amounts held in custody for others	\$	
Other liabilities		
Intergovernmental payables		
Due to other funds		
Total Liabilities	\$ <u>0</u>	<u>0</u>
NET ASSETS		
Held in trust for:		
Individuals, organizations and other governments	\$ <u>0</u>	<u>0</u>

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

NOTE TO AUDITOR: If the county has Private Purpose Trust Funds, then change name of the Exhibit to Statement of Fiduciary Net Assets and prepare Exhibit 9, if applicable.

SAMPLE COUNTY
Statement of Changes in Fiduciary Net Assets
For the Year Ended September 30, 2009

Exhibit 9

	<u>Private-purpose Trust Funds</u>
ADDITIONS	
Contributions:	
Gifts, bequests and endowments	\$
Investment income:	
Interest and dividends	
Total Additions	<u>0</u>
DEDUCTIONS	
Administrative expense	
Payments in accordance with trust agreements	
Total Deductions	<u>0</u>
Changes in Net Assets	0
Net Assets - Beginning	
Net Assets - Ending	<u>\$ 0</u>

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

@COUNTY COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2009

Notes to Financial Statements

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

~~(NOTE TO PREPARER: Edit as appropriate for one/or more component units)~~

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

-
-
-
-

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
- ~~Tax Assessor~~
- ~~Tax Collector~~
- Sheriff

~~(NOTE TO PREPARER: Reletter the notes if the county has Component units.~~

~~B. Individual Component Unit Disclosures:~~

~~Blended Component Units~~

~~Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, these component units are reported as if they are part of the primary government. The following component units balances and transactions are blended with the balances and transactions of the primary government.~~

~~(Describe herein each blended CU in separate paragraphs.)~~

~~Discretely Presented Component Units~~

@COUNTY COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2009

~~The component units columns in the financial statements include the financial data of the following component units of the county. They are reported in a separate column to emphasize that they are legally separate from the county. (NOTE TO PREPARER: Edit next sentence as appropriate.) Except for the (give names of CUs), a majority of the members of the governing bodies of these component units are appointed by the county Board of Supervisors.~~

~~(Describe herein each discretely presented CU in separate paragraphs.)~~

~~Consult your supervisor, if the county has discretely presented component units which are not reported separately in the financial statements. See the blue book, page 202, for list of minimum information required to be included in the "Condensed Statement of Net Assets" and the "Condensed Statement of Activities" for these component units. May add combining exhibits for the component units.~~

B. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information concerning the county as a whole. The statements include all nonfiduciary activities of the primary government ~~and its component units~~. For the most part, the effect of interfund activity has been removed from these statements. ~~(NOTE TO PREPARER: Delete strike out in the following sentence, if there are business-type activities.)~~ 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 primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.~~

The Statement of Net Assets presents the financial condition of the governmental activities ~~and business-type activities~~ of the county at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the county's governmental activities ~~and business-type activities~~. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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. ~~Internal service fund balances have been eliminated against the expenses and program revenue.~~ The comparison of direct expenses with program revenues identifies the extent to which each ~~business-type activities 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 separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

C. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial

@COUNTY COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2009

statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

~~(NOTE TO PREPARER: If the county does not have proprietary funds then delete the two following paragraphs.)~~

The county's Proprietary Funds apply all applicable Governmental Accounting Standards 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 or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

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

The county reports the following major Governmental Funds:

General Fund - This fund is used to account for all activities of the general government for which a separate fund has not been established.

~~(List other individual major funds and a description of each. See the following examples.)~~

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

~~Debt Service Fund - This fund is used to account for resources accumulated and used for the payment of long term debt principal, interest and related costs of borrowing used for road projects.~~

The county reports the following major Proprietary Fund(s):

~~(NOTE TO PREPARER: Document the name of the fund and explain the purpose of the fund.~~

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

Additionally, the county reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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Notes to Financial Statements
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Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

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

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 of general obligation bond issues and federal grants.

Permanent Funds - These funds are used to account for resources that are legally restricted to the extent that only earnings, and not the principal, may be used for the support of county programs.

PROPRIETARY FUND TYPES

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.

Internal Service Funds - These funds are used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. (NOTE TO PREPARER: Need to define the county's internal service fund, such as: The county's internal service fund reports on self-insurance programs for employee medical benefits.)

FIDUCIARY FUND TYPES

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.

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

D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2005 by the Government Finance Officers Association.

E. Deposits and Investments.

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

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

F. Receivables.

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

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Notes to Financial Statements
For the Year Ended September 30, 2009

G. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." ~~None current 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. (NOTE TO PREPARER: Delete the following if no business-type funds) Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Inventories and Prepaid Items.

~~(NOTE TO PREPARER: If the following is not applicable, delete this note disclosure and re-letter notes.)~~

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in/first-out method.

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

I. Restricted Assets.

~~(NOTE TO PREPARER: If the following is not applicable, delete this note disclosure and re-letter notes.)~~

Proprietary Fund and component unit assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

J. Capital Assets.

~~(NOTE TO PREPARER: Edit the following paragraph if the opinion on capital assets is either unqualified or qualified because the capital assets reported on the accompanying Statement of Net Assets is not fairly stated or if the opinion is adverse because the capital assets are not capitalized or because infrastructure or depreciation is not provided as required by GAAP)~~

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental or business-type activities column in the government-wide financial statements. (NOTE TO PREPARER: Delete next sentence if opinion is unqualified.) However, the capital assets amount reported on the accompanying Statement of Net Assets, is not fairly presented because the county did not maintain adequate [NOTE TO PREPARER: Delete phrases if not applicable and punctuate accordingly.] (subsidiary records documenting the existence, completeness and valuation of capital assets.) or (records documenting the county's infrastructure.) or (records documenting depreciation on applicable assets.) All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated

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Notes to Financial Statements
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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.

~~(NOTE TO PREPARER: For phase 3 counties - Delete if the county has elected to report retroactively.)~~

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. @County 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.

~~(NOTE TO PREPARER: If the county does not have Proprietary Funds, then delete the following paragraph.)~~

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. ~~(NOTE TO PREPARER: Select one of the following two sentences.)~~ No interest is capitalized on self-constructed assets because noncapitalization of interest does not have a material effect on the county's financial statements. ~~(or)~~ Interest cost incurred during the construction of Proprietary Fund capital assets is capitalized as part of the cost of construction. Donated capital assets are recorded at their fair value at the time of donation.

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

~~(NOTE TO PREPARER: Delete any of the categories below, if not applicable)~~

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

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

K. Long-term Liabilities.

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

In the government-wide financial statements ~~and in the Proprietary Fund financial statements~~, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, ~~business-type activities or Proprietary Funds Statement of Net Assets.~~ ~~(NOTE TO PREPARER: Include the following, if applicable for new bonds issued. Consult your supervisor regarding this change in the issuance of bonds. This change will not affect the bond outstanding.)~~ Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. ~~Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.~~

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Notes to Financial Statements
For the Year Ended September 30, 2009

~~(NOTE TO PREPARER: Include the following paragraph, if applicable for new bonds issued.)
In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.~~

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, construction or improvement 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 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.

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Notes to Financial Statements
For the Year Ended September 30, 2009

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.

~~(NOTE TO PREPARER: Choose the correct paragraph and delete the others. If you choose the last paragraph, then it will need to be edited. Also, if the first paragraph is chosen, then an internal control finding should be included.)~~

The county has adopted a policy of compensation for accumulated unpaid employee benefits; however, adequate records are not maintained for determining the amount of the liability. Therefore, no liability is recorded in the accompanying financial statements as required by accounting principles generally accepted in the United States of America. We believe the effects of the unrecorded liability on the financial statements are immaterial.

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

(2) Changes in Accounting Standards.

~~(NOTE TO PREPARER: If the county provides OPEB benefits or has pollution remediation obligations, edit as needed, otherwise delete this disclosure.)~~

For the fiscal year ended September 30, 2009, the county implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other than Pensions* and GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The provisions of these standards have been incorporated in Note 14 and Note 25.

~~(3) Fund Reclassification (Accounting Change).~~

~~(NOTE TO PREPARER: If both fund reclassification and accounting change notes are needed, have an individual note for each. The following paragraph is an example of wording to be used for a fund reclassification.)~~

~~The solid waste fund's beginning fund balance of \$ _____ was reclassified from the Special Revenue Funds to a beginning retained earnings in the Enterprise Fund because, effective October 1, _____, it became the objective to account for solid waste disposal operations in a manner similar to private business or to determine revenues earned, expenses incurred and/or net income of the fund.~~

(4) Prior Period Adjustment(s).

~~(NOTE TO PREPARER: Only include **significant** errors to the prior year financial statements.)~~

~~A summary of significant fund equity adjustment(s) is as follows:~~

~~Exhibit 2 - Statement of Activities.~~

Explanation

Amount

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Notes to Financial Statements
For the Year Ended September 30, 2009

\$ 0

Total prior period adjustment(s)

\$ 0

Exhibit 4 - Statement of Revenues, Expenditures and Changes in Fund Balances.

Explanation

Amount

\$ 0

Total prior period adjustment(s)

\$ 0

Exhibit 6 - Statement of Revenues, Expenses, and Changes in Fund Net Assets.

Explanation

Amount

\$ 0

Total prior period adjustment(s)

\$ 0

(5) Deposits and Investments.

(NOTE TO PREPARER: Delete "and Investments" from Exhibits 1, 3 and 8 and Note 4 if the county has no investments.)

Deposits:

The carrying amount of the county's total deposits with financial institutions at September 30, 2009, was \$ _____, and the bank balance was \$ _____. 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 (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the county will not be able to recover deposits or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the county. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the county.

Investments:

(NOTE TO PREPARER: Edit the following investment paragraphs as appropriate. Refer to your investment confirmation and agreements.)

As provided in Section 91-13-8, Miss. Code Ann. (1972), the following investments of the county are handled

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Notes to Financial Statements
For the Year Ended September 30, 2009

through a trust indenture between the county and the trustee related to the operations of the ~~Insert Name Here~~ Regional Correctional Facility.

Investments balances at September 30, 2009, are as follows:

Investment Type	Maturities	Fair Value	Rating
(Enter description)	(In Years)	\$	
(Enter description)	(In Years)		
(Enter description)	(In Years)		
Total		\$ <u>0</u>	

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

Credit Risk. State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The county does not have a formal investment policy that would further limit its investments choices or one that address credit risk. ~~(NOTE TO PREPARER: If the county has adopted a credit risk policy, then explain the policy.)~~

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. ~~(NOTE TO PREPARER: If the county has adopted a custodial credit risk policy, then explain the policy.)~~ Of the county's investment, \$ _____ of underlying securities were uninsured, unregistered, and held in trust accounts by the investment's counterparty on behalf of the county, not in the name of the county.

Concentration of Credit Risk. ~~(NOTE TO PREPARER: The county should disclose a description of investment, amount and fund name where the investment is reported for any investment which represents 5 percent or more of the total investments. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds or external investment pools.)~~ The county places no limit on the amount the county may invest in any one issuer. More than 5 percent of the county's investments are in (description of investment). These investments are ____% of the county's total investments and are reported in the (name of the county's fund). Or use the table below:

Investment Type	Fund	Fair value	Percentage of total investments
		\$	
Total		\$ <u>0</u>	

(6) Interfund Transactions and Balances.

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Notes to Financial Statements
For the Year Ended September 30, 2009

~~(NOTE TO PREPARER: Loans, advances and transfers will be listed by individual fund name for the General Fund and all Major Funds. These transactions will tie to Exhibit 3, 5 and/or 8 amounts. Any loans, advances or transfers between 2 nonmajor funds will be listed as either "Other Governmental Funds" or "Other Enterprise Funds." Do not list the individual fund names. There should not be any interfund transactions from the General Fund to the General Fund.)~~

The following is a summary of interfund balances at September 30, 2009:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	General	\$
List individual major fund(s)	List individual major fund(s)	
Other Governmental Funds	Other Governmental Funds	
Other Enterprise Fund	Other Enterprise Fund	
Agency Funds	Agency Funds	
Total		\$ <u><u>0</u></u>

~~(NOTE TO PREPARER: The purpose of the loans should be disclosed, along with any amounts not expected to be paid within one year.)(Example: The receivables represent an error in posting revenue during the year. OR The amount payable to Countywide Road Fund represents supplies purchased for Countywide Bridge Fund, which are not expected to be repaid within one year.)~~

~~(For most counties, the following will be used.)~~

~~The receivables represent the tax revenue collected but not settled until October, 2009. All interfund balances are expected to be repaid within one year from the date of the financial statements.~~

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	General	\$
List individual major fund(s)	List individual major fund(s)	
Other Governmental Funds	Other Governmental Funds	
Other Enterprise Fund	Other Enterprise Fund	
Agency Funds	Agency Funds	
Total		\$ <u><u>0</u></u>

~~(NOTE TO PREPARER: The purpose of the advances should be disclosed, along with any amounts not expected to be paid within one year.)(Example: The amount payable to the internal service funds represent unpaid charges.)~~

C. Transfers In/Out:

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Transfer In	Transfer Out	Amount
General Fund	General Fund	\$
List individual major fund(s)	List individual major fund(s)	
Other Governmental Funds	Other Governmental Funds	
Other Enterprise Fund	Other Enterprise Fund	
Agency Funds	Agency Funds	
Total		\$ <u><u>0</u></u>

~~(NOTE TO PREPARER: The purpose of the transfers should be disclosed. An example follows: The principal purpose of interfund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All interfund transfers were routine and consistent with the activities of the fund making the transfer.)~~

(7) Intergovernmental Receivables.

~~(NOTE TO PREPARER: List the material intergovernmental receivables by type of revenue. Ex. motor vehicle license tax, community development block grant, . Immaterial receivables may be listed as other.~~

Intergovernmental receivables at September 30, 2009, consisted of the following:

Description	Amount
Governmental Activities:	
Legislative tax credit	\$
Total Governmental Activities	\$ <u><u>0</u></u>
Business-type Activities:	
	\$
Total Business-type Activities	\$ <u><u>0</u></u>

(8) Loans Receivable.

Loans receivable balances at September 30, 2009, are as follows:

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Notes to Financial Statements
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Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
				\$
Total				\$ <u>0</u>

(9) Capital Assets.

~~(NOTE TO PREPARER: Present a summary schedule of capital assets, even if the opinion is qualified because of capital assets.)~~

The following is a summary of capital assets activity for the year ended September 30, 2009:

Governmental activities:

	Balance Oct. 1, 2008	Additions	Deletions	Adjustments	Balance Sept. 30, 2009
<u>Non-depreciable capital assets:</u>					
Land	\$				0
Construction in progress					0
Total non-depreciable capital assets	0	0	0	0	0
<u>Depreciable capital assets:</u>					
Infrastructure					0
Buildings					0
Improvements other than buildings					0
Mobile equipment					0
Furniture and equipment					0
Leased property under capital leases					0
Total depreciable capital assets	0	0	0	0	0
<u>Less accumulated depreciation for:</u>					
Infrastructure					0
Buildings					0
Improvements other than buildings					0
Mobile equipment					0

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Furniture and equipment					0
Leased property under capital leases					0
Total accumulated depreciation	0	0	0	0	0
Total depreciable capital assets, net	0	0	0	0	0
Governmental activities capital assets, net	\$ 0	0	0	0	0

Business-type activities:

	Balance Oct. 1, 2008	Additions	Deletions	Adjustments	Balance Sept. 30, 2009
<u>Non-depreciable capital assets:</u>					
Land	\$				0
Construction in progress					0
Total non-depreciable capital assets	0	0	0	0	0

Depreciable capital assets:

Infrastructure					0
Buildings					0
Improvements other than buildings					0
Mobile equipment					0
Furniture and equipment					0
Leased property under capital leases					0
Total depreciable capital assets	0	0	0	0	0

Less accumulated depreciation for:

Infrastructure					0
Buildings					0
Improvements other than buildings					0
Mobile equipment					0
Furniture and equipment					0
Leased property under capital leases					0
Total accumulated depreciation	0	0	0	0	0

Total depreciable capital

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assets, net		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business-type activities						
capital assets, net	\$	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(NOTE TO PREPARER: Explain adjustments to the capital assets.)

(NOTE TO PREPARER: Insert schedule of capital assets for discretely presented component units, if applicable.)

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental Activities:	
General government	\$
Public safety	
Public works	
Health and welfare	
Culture and recreation	
	<u> </u>
Total governmental activities depreciation expense	\$ <u> 0</u>
Business-type activities:	
Solid waste	\$
Correctional facility	
(Other business-type activity reported on Exhibit 2)	
	<u> </u>
Total business-type activities depreciation expense	\$ <u> 0</u>

Commitments with respect to unfinished capital projects at September 30, 2009, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
	\$	

(NOTE TO PREPARER: Disclose any other commitments in paragraph form.)

(10) 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

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Notes to Financial Statements
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premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2009, to January 1, 2010. 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. ~~(NOTE TO PREPARER: Based on information received, a county may have one or both of these reinsurances. Edit the next three sentences after getting the appropriate coverage information.)~~ The county has reinsurance which functions on two separate stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$ _____, and the aggregate policy covers all submitted claims in excess of \$ _____. 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. ~~(NOTE TO PREPARER: If the county has no year end liability, delete the next two sentences and schedule of changes in claims liabilities below.)~~ 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 2008 and 2009:

	2008	2009
Unpaid Claims, Beginning of Fiscal Year	\$	
Plus: Incurred Claims (Including IBNRs)		
Less: Claims Payments		
	_____	_____
Unpaid Claims, End of Fiscal Year	\$ <u>0</u>	\$ <u>0</u>

~~(NOTE TO PREPARER: If county has a year end liability, delete the following sentence.)~~

~~The county had no year end liability because cash on deposit in the risk pool exceeded the pool's accrued unpaid claims in the amount of \$ _____, reported on the balance sheet.~~

~~(NOTE TO PREPARER: Include the following if the county stopped participating in the trust fund during the current fiscal year.)~~

~~Until (enter date), the county financed 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 was exposed. Premium payments to the pool were determined on an actuarial basis. The county purchased commercial insurance to cover all claims in excess of premium contributions. Claims expenses and liabilities were reported when it was probable that a loss had occurred and the amount of that loss could be reasonably estimated.~~

~~The county had no year end liability because the county terminated their participation in the risk pool on (enter date), and a commercial insurance company began providing coverage.~~

~~(NOTE TO PREPARER: Delete or edit the following information about self-insurance as appropriate.)~~

The county is exposed to risk of loss relating to employee health, accident and dental coverage. Beginning in 19XX

@COUNTY COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2009

and pursuant to Section 25-15-101, Miss. Code Ann. (1972), the county established a risk management fund (included as an Internal Service Fund) to account for and finance its uninsured risk of loss. The @County County Board of Supervisors has extended coverage to the employees of the following public entities:

- City of Sample
- Sample Water and Sewer District
- Sample Fire District

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. Each participating public entity, including @County County, pays the premium on a single coverage policy for its respective employees. Employees desiring additional and/or dependent coverage pay the additional premium through a payroll deduction. Premium payments to the risk management fund are determined on an actuarial basis. The county has a minimum uninsured risk retention for all participating entities, including @County County, to the extent that actual claims submitted exceed the predetermined premium. The county has implemented the following plans to minimize this potential loss:

The county has purchased coinsurance which functions on two separate stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$ _____, and the aggregate policy covers all submitted claims in excess of \$ _____.

The county has collected an additional charge for expected future catastrophic losses. This additional charge has resulted in \$ _____ of the Internal Service Fund's \$ _____ net asset balance at September 30, 2009, being designated for future catastrophic losses.

Claims expenditures 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). At September 30, 2009, the amount of these liabilities was \$ _____. An analysis of claims activities is presented below:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2007 – 2008	\$			0
2008 – 2009	\$			0

(NOTE TO PREPARER: Include the following sentence if applicable.)

The county terminated its risk management fund on (date), and a commercial insurance company began providing employee health and accident coverage.

(11) Operating Leases.

(NOTE TO PREPARER: If the rental payments received by the county are not equal through out the lease term, then consult with your supervisor as to proper way to handle the lease. The asset leased under an operating lease as lessor should be recorded as capital assets.)

As Lessor:

The county receives income from property it leases under noncancellable operating leases. Total income from such

@COUNTY COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2009

leases was \$ _____ for the year ended September 30, 2009. The future minimum lease receivables for these leases are as follows:

<u>Year Ended September 30</u>		<u>Amount</u>
2010	\$	
2011		
2012		
2013		
2014		
2015 – 2019		
2020 – 2024		
2025 – 2029		
2030 – 2034		
		<hr/>
Total Minimum Payments Required	\$	<u>0</u>

As Lessee:

The county has entered into certain operating leases which do not give rise to property rights. Total costs for such leases were \$ _____ for the year ended September 30, 2009. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30</u>		<u>Amount</u>
2010	\$	
2011		
2012		
2013		
2014		
2015 – 2019		
2020 – 2024		
2025 – 2029		
2030 – 2034		
2035 – 2039		
		<hr/>
Total Minimum Payments Required	\$	<u>0</u>

(12) Capital Leases.
~~(NOTE TO PREPARER: These leased assets as lessor will not be recorded as capital assets.)~~

As Lessor:

The county leases the following property with varying terms and options as of September 30, 2009:

<u>Classes of Property</u>	<u>Amount</u>
----------------------------	---------------

@COUNTY COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2009

Buildings	\$	
Other		
Total	\$	<u><u>0</u></u>

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2009, are as follows:

Year Ended September 30	Principal	Interest
2010	\$	
2011		
2012		
2013		
2014		
2015 – 2019		
2020 – 2024		
2025 – 2029		
2030 – 2034		
2035 – 2039		
Total	\$ <u><u>0</u></u>	<u><u>0</u></u>

As Lessee:

The county is obligated for the following capital assets acquired through capital leases as of September 30, 2009:

Classes of Property	Governmental Activities	Business-type Activities
Mobile equipment	\$	
Furniture and equipment		
Total	<u>0</u>	<u>0</u>
Less: Accumulated depreciation		
Leased Property Under Capital Leases	\$ <u><u>0</u></u>	<u><u>0</u></u>

The following is a schedule by years of the total payments due as of September 30, 2009:

Year Ending September 30	Governmental Activities Principal	Interest	Business-type Activities Principal	Interest
2010	\$			
2011				

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Notes to Financial Statements
For the Year Ended September 30, 2009

2012				
2013				
2014				
2015 – 2019				
Total	\$	0	0	0

(13) Short-term Debt and Liquidity.

(NOTE TO PREPARER: GASB 34 requires a schedule of changes in short-term debt, even if there is no short-term debt outstanding at September 30. Also, will need to describe the purpose for which the debt was issued.)

The following is a summary of short-term debt activity for the year ended September 30, 2009:

Description of Debt	Balance Oct. 1, 2008	Additions	Reductions	Adjustments	Balance Sept. 30, 2009
\$					0
					0
					0
					0
					0
Total	\$	0	0	0	0

(NOTE TO PREPARER: Example of purpose of debt listed above.)

During the month of _____, 20XX, the county issued \$ _____ of tax anticipation notes with an interest rate of _____ % and maturity date of _____ in order to alleviate a temporary operating cash flow deficiency.

(14) Other Postemployment Benefits.

(NOTE TO PREPARER: Please refer to GASB No. 45, paragraphs 24, 25 and 26 for details of required disclosures for other postemployment benefits.)

(NOTE TO PREPARER: This is an example disclosure and will need to be edited to properly disclose the county's specific situation. Any other postemployment benefits such as life, vision, dental, long-term disability insurances offered to retirees will also need to be addressed.)

Plan Description

The @County County Board of Supervisors administers the county's health insurance plan which is authorized by Sections 25-15-101 et seq., Mississippi Code Ann. (1972). The county's health insurance plan may be amended by the @County County Board of Supervisors. The county purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the county has a postemployment healthcare benefit reportable under GASB Statement 45 as a single employer defined benefit health care plan. Effective October 1, 2008, the county implemented GASB Statement 45 prospectively, which requires reporting on an accrual basis the liability associated with other postemployment benefits. The county does not issue a publicly available financial report for the Plan. (NOTE TO PREPARER: If the county has failed to implement GASB 45, select this sentence and delete remainder of note disclosure.) However, the county has not recorded a liability for other

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Notes to Financial Statements
For the Year Ended September 30, 2009

postemployment benefits nor has the county reported the note disclosures which are required by accounting principles generally accepted in the United States of America.

Funding Policy

No contributions towards other postemployment benefits (OPEB) are made. Employees' premiums are funded by the county with additional funding provided by retired employees and by active employees for spouse and dependent medical coverage. The Plan is financed on a pay-as-you-go basis. The Board of Supervisors, acting in conjunction with the commercial insurance company, has the sole authority for setting health insurance premiums for the county's health insurance plan.

Per Section 25-15-103, Mississippi Code Ann. (1972), any retired employee electing to purchase retiree health insurance must pay the full cost of the insurance premium monthly to the county. For the year ended September 30, 2009, retiree premiums range from \$ _____ to \$ _____ depending on dependent coverage and Medicare eligibility.

Actuarial Valuation

The County's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of September 30, 2009. ~~(NOTE TO PREPARER: The actuarial valuation date does not have to be the same as the county's balance sheet date but should be performed at the same date each year or other interval required.)~~ The plan presently has an actuarial valuation performed annually ~~(bi-annually, etc.)~~ in order to be in compliance with GASB Statement 45.

Annual OPEB Cost and Net OPEB Obligation

The county's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC was determined assuming the plan would fund the OPEB liability on a pay-as-you-go basis. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed _____ years. The current ARC of \$ _____ is _____ percent of annual covered payroll.

The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2009:

Annual required contribution	\$
Interest on prior year net OPEB obligation	
Adjustment to annual required contribution	
Annual OPEB cost	
Contributions made	
Increase in net OPEB obligation	
Net OPEB obligation – Beginning of year	
Net OPEB obligation – End of year	\$

~~(NOTE TO PREPARER: Since this is the first year of implementation, only one year is reported. However, for future reporting, these disclosures are required for the current year and two preceding years.)~~

The following table provides the county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2009:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$	%	\$

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Notes to Financial Statements
For the Year Ended September 30, 2009

Funding Status and Funding Progress

The following table provides funding information for the most recent actuarial valuation date:

Actuarial Valuation Date		
Actuarial Value of Plan Assets	\$	
Actuarial Accrued Liability (AAL) Entry Age Normal	\$	
Unfunded AAL (UAAL)	\$	
Funded Ratio		%
Annual Covered Payroll	\$	
UAAL as a Percentage of Annual Covered Payroll		%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	
Actuarial cost method	
Amortization method	
Remaining amortization period	
Asset valuation method	
Actuarial assumptions:	
Investment rate of return*	%
Projected salary increases**	%
Healthcare cost trend rate*	%
Ultimate trend rate	%
Year of ultimate trend rate	
*Includes inflation at	%
**Includes wage inflation at	%

(15) Long-term Debt.

Debt outstanding as of September 30, 2009, consisted of the following:

(NOTE TO PREPARER: Interest rates should include 2 decimal places, example 2.00, 2.25, 2.10)

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Notes to Financial Statements
For the Year Ended September 30, 2009

	\$
	<hr/>
Total Other Loans	\$ <u>0</u>
Business-type Activities:	
A. General Obligation Bonds:	\$
	<hr/>
Total General Obligation Bonds	\$ <u>0</u>
B. Limited Obligation Bonds:	\$
	<hr/>
Total Limited Obligation Bonds	\$ <u>0</u>
C. Equipment Notes:	\$
	<hr/>
Total Equipment Notes	\$ <u>0</u>
D. Capital Leases:	\$
	<hr/>
Total Capital Leases	\$ <u>0</u>
E. Other Loans:	\$
	<hr/>
Total Other Loans	\$ <u>0</u>

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Notes to Financial Statements
For the Year Ended September 30, 2009

(NOTE TO PREPARER: If a government pledges future revenues to directly collateralize or secure its debt or indirectly collateralize or secure debt of a component unit, certain disclosures are required. For each period in which debt secured by a pledge of future revenues is outstanding, GASB No. 48, paragraph 21 requires governments to disclose the following:

- a. The specific revenue pledged and the approximate amount of the pledge. The approximate amount is generally equal to remaining principal and interest payments on the debt.
- b. Identity of and the general purpose for which the secured debt was issued.
- c. The period during which the pledged revenue will not be available for other purposes.
- d. The ratio of the pledged amount to the total for that specific revenue, if estimable.
- e. A comparison of pledged revenues recognized during the period to the principal and interest payments made during the period for the debt directly or indirectly secured by pledged revenues. Pledged revenues may be presented net of specified operating expenses, as provided in the pledge agreement. The amounts should not be netted in the financial statements.)

(NOTE TO PREPARE: This is an example disclosure and will need to be edited to properly disclose the county's specific situation)

Pledge of Future Revenues - The county has pledged future revenues for housing inmates, net of specified operating expenses, to repay \$_____ in limited obligation urban renewal revenue bonds issued in _____. Proceeds from the bonds provided financing for the construction of the _____ County Regional Correctional Facility. The bonds are not a general obligation of the county and, therefore, are not secured by the full faith and credit of the county. The bonds are payable solely from income derived from an inmate housing agreement with the Mississippi Department of Corrections for housing state prisoners and income received from any other governments for housing and holding prisoners and are payable through _____. Annual principal and interest payments on the bonds are expected to require less than ___ percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$_____. Principal and interest paid for the current year and total inmate housing net revenues were \$_____ and \$_____, respectively.

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

(NOTE TO PREPARER: If the county has Special Assessment Debt with Commitments, include the schedule of annual debt service requirements to maturity below.)

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2010	\$			
2011				
2012				
2013				
2014				
2015 – 2019				
2020 – 2024				
2025 – 2029				
2030 – 2034				
2035 – 2039				

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Notes to Financial Statements
For the Year Ended September 30, 2009

Total	\$	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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<u>Year Ending September 30</u>	<u>Equipment Notes</u>		<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$			
2011				
2012				
2013				
2014				
2015 – 2019				
2020 – 2024				
2025 – 2029				
2030 – 2034				
2035 – 2039				
Total	\$	<u>0</u>	<u>0</u>	<u>0</u>

Business-type Activities:

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>		<u>Limited Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$			
2011				
2012				
2013				
2014				
2015 – 2019				
2020 – 2024				
2025 – 2029				
2030 – 2034				
2035 – 2039				
Total	\$	<u>0</u>	<u>0</u>	<u>0</u>

<u>Year Ending September 30</u>	<u>Equipment Notes</u>		<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$			
2011				

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Notes to Financial Statements
For the Year Ended September 30, 2009

2012				
2013				
2014				
2015 – 2019				
2020 – 2024				
2025 – 2029				
2030 – 2034				
2035 – 2039				
Total	\$	<u>0</u>	<u>0</u>	<u>0</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt, that can be incurred by the county is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2009, the amount of outstanding debt was equal to ____% of the latest property assessments.

Special Assessment Debt with Commitments - During fiscal year ____, the county issued special assessment bond issues totaling \$____. The debt was issued to provide funds for the construction of (describe purpose of the debt). ~~(NOTE TO PREPARER: Consult your supervisor and edit the following.)~~ The bonds are secured by the full faith and credit of the county. The county levied a special assessment tax upon all taxable property in the benefitted area. The tax is adequate and sufficient to provide for the payment of the principal and interest on the bonds. At September 30, 2009, \$____ of special assessment receivables are considered delinquent. ~~(NOTE TO PREPARER: If the county is not obligated in any manner for the special assessment debt, disclose the amount of the debt and county's involvement in the debt.)~~

Advance Refunding - On (date?), the county issued \$____ in general obligation refunding bonds with an average interest rate of ____% to advance refund \$____ of the following outstanding bond issue(s):

Issue	Average Interest Rate	Outstanding Amount Refunded
_____	_____	\$ _____

~~(NOTE TO PREPARER: If there is a partial refunding of issues, include the appropriate portions of the following paragraph for each issue.)~~

The (name of issue) had an outstanding balance of \$____ at the time of refunding, but only \$____ of the bond was refunded, leaving a remaining principal balance of \$____, of which \$____ was redeemed during fiscal year 2009.

The net proceeds of \$____ (after payment of \$____ in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, those bonds are considered to be defeased,

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Notes to Financial Statements
For the Year Ended September 30, 2009

and the liability for those bonds has been removed from the Statement of Net Assets.

(NOTE TO PREPARER: Choose appropriate sentence as to the reason for the advance refunding and/or edit as necessary.)

The county advance refunded the above bonds to reduce its total debt service payments over the next ____ years by almost \$ ____ and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$ ____ . The county advance refunded the above bonds to reduce its total debt service payments over the next ____ years by almost \$ ____; however, the advance refunding resulted in an economic loss of \$ ____.

Prior Year Defeasance of Debt - In prior years, the county defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the county's financial statements. On September 30, 2009, \$ ____ of bonds outstanding were considered defeased.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2009:

	Balance Oct. 1, 2008	Additions	Reductions	Adjustments	Balance Sept. 30, 2009	Amount due within one year
Governmental Activities:						
Compensated absences	\$				0	
Claims and judgments					0	
General obligation bonds					0	
Limited obligation bonds					0	
Special assessment debt with commitments					0	
Equipment notes					0	
Capital leases					0	
Other loans					0	
Total	\$ 0	0	0	0	0	0
Business-type Activities:						
Compensated absences	\$				0	
Claims and judgments					0	
Landfill closure and post-closure care liability					0	
General obligation bonds					0	
Limited obligation bonds					0	
Equipment notes					0	
Capital leases					0	
Other loans					0	
Total	\$ 0	0	0	0	0	0

(NOTE TO PREPARER: Edit for appropriate funds)

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

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Notes to Financial Statements
For the Year Ended September 30, 2009

(16) Deficit Fund Balances of Individual Funds.

(NOTE TO PREPARER: GAAP requires that the notes to the financial statements disclose all material instances where there is a deficit of fund balance/equity/net assets in an individual fund that is not otherwise visible on the face of the financial statements. If the deficit fund balance is the result of accruing a payable, consideration should be given to accruing a corresponding receivable if appropriate.)

The following funds reported deficits in fund balances ~~or net assets~~ at September 30, 2009:

Fund	Deficit Amount
(List individual funds)	\$

(17) Contingencies.

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

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

(NOTE TO PREPARER: Edit following paragraph, as appropriate.)

General Obligation Debt Contingencies - The county issued general obligation bonds (~~notes~~) to provide funds for constructing and improving capital facilities of the (give name of hospital) and the Sample County Department of Education. Such debt is being retired from pledged resources of these entities and, therefore, is reported as a liability of those entities. However, because general obligation bonds (~~notes~~) are backed by the full faith, credit and taxing power of the county, the county remains contingently liable for its retirement. The principal amount of such debt outstanding at year end is as follows:

Description	Balance at Sept. 30, 2009
General obligation enterprise bonds (notes)	\$
General obligation school bonds (notes)	_____
Total	\$ <u>0</u>

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Notes to Financial Statements
For the Year Ended September 30, 2009

(NOTE TO PREPARER: ~~Edit following paragraph, as appropriate.~~)

~~Hospital Revenue Bond (Note) Contingencies~~ - The county issues revenue bonds (~~notes~~) to provide funds for constructing and improving capital facilities of the (give name of hospital). Revenue bonds (~~notes~~) are reported as a liability of the hospital because such debt is payable primarily from the hospital's pledged revenues. However, the county remains contingently liable for the retirement of these bonds (~~notes~~) because the full faith, credit and taxing power of the county is secondarily pledged in case of default by the hospital. The principal amount of hospital revenue bonds (~~notes~~) outstanding at September 30, 2009, is \$ _____.

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

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

Description	Balance at Sept. 30, 2009
Industrial revenue bonds and notes	\$ _____

(19) Segment Information for Enterprise Funds.

(20) Related Organizations.

(21) Joint Ventures.

The county participates in the following joint ventures:

~~(NOTE TO PREPARER: Include a statement on the amount the county contributes to the joint venture.)~~

(22) Jointly Governed Organizations.

The county participates in the following jointly governed organizations:

~~(NOTE TO PREPARER: Include a statement on the amount the county contributes to the jointly governed organization.)~~

(23) Defined Benefit Pension Plan.

Plan Description. @County 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

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Notes to Financial Statements
For the Year Ended September 30, 2009

Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The rate at September 30, 2009 was 12% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The county's contributions (employer share only) to PERS for the years ending September 30, 2009, 2008 and 2007 were \$ _____, \$ _____ and \$ _____, respectively, equal to the required contributions for each year.

(24) Subsequent Events.

~~(NOTE TO PREPARER: Contingently liable debt should be disclosed. Do not disclose no commitment debt.)~~

Subsequent to September 30, 2009, the county issued the following debt obligation(s):

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
		\$		

(25) Pollution Remediation Obligations.

~~(NOTE TO PREPARER: GASB No. 49 defines a pollution remediation obligation as "an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities". GASB No. 49 requires governments to disclose the following about recognized pollution remediation obligations:~~

- ~~• The nature and source of the obligations (for example, federal, state or local laws).~~
- ~~• The estimated liability (if not apparent from the financial statements), the methods and assumptions used to make the estimate, and the potential that the estimate may change because of, for example, price increases, technology, or applicable laws or regulations.~~
- ~~• Estimated recoveries used to reduce the liability~~

~~If pollution remediation liabilities are not recognized in the financial statements because the entire liability or components of it are not yet reasonably estimable, governments should provide a general description of the nature of the pollution remediation activities.)~~

(26) Extraordinary Items and/or Special Items.

~~(Describe any extraordinary or special items if applicable)~~

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REQUIRED SUPPLEMENTARY INFORMATION

SAMPLE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund (and each major special revenue fund)
 For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$			0
Road and bridge privilege taxes				0
Licenses, commissions and other revenue				0
Fines and forfeitures				0
Special assessments				0
Contributions to permanent funds				0
Intergovernmental revenues				0
Charges for services				0
Interest income				0
Miscellaneous revenues				0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current:				
General government				0
Public safety				0
Public works				0
Health and welfare				0
Culture and recreation				0
Education				0
Conservation of natural resources				0
Economic development and assistance				0
Debt service:				
Principal				0
Interest				0
Bond issue costs				0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued				0
Long-term non-capital debt issued				0
Refunding bonds issued				0
Proceeds from sale of capital assets				0
Premiums on bonds issued				0
Compensation for loss of capital assets				0
Transfers in				0
Transfers out				0
Lease principal payments				0
Payment to bond refunding escrow agent				0
Discount on bonds issued				0
Other financing sources				0
Other financing uses				0
Total Other Financing Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balances - Beginning				0
Fund Balances - Ending	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

@COUNTYCOUNTY
 Schedule of Funding Progress – Other Postemployment Benefits
 September 30, 2009

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Percent Funded (a / b)	Annual Covered Payroll (c)	Unfunded AAL as a Percentage of Annual Covered payroll ((b-a) / c)
	\$	\$	\$		\$	

(NOTE TO PREPARER: For employers participating in single employer or agent multiple employer OPEB plans, GASB-45 requires disclosure of the above information for the current actuarial valuation and for the two preceding valuations. At transition to GASB-45, employers should report as many years' worth of information as actuarial valuations are available up to three years.)

Notes to the Required Supplementary Information
For the Year Ended September 30, 2009

Notes to the Required Supplementary Information

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 (~~Tax Assessor and Tax 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. ~~The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is not presented because funds were not individually budgeted.~~

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 supplemental information.

C. Budget/GAAP Reconciliation.

~~(NOTE TO PREPARER: If the county has more than 4 major funds, copy this schedule for additional major funds.)~~

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

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

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

@COUNTY COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2009

	Governmental Fund Types			
	General Fund	Major Fund	Major Fund	Major Fund
Budget (Cash Basis)	\$			
Increase (Decrease)				
Net adjustments for revenue accruals				
Net adjustments for expenditure accruals				
To record excess of revenues and other sources over (under) expenditures and other uses for nonbudgeted funds				
Other reconciling items:				
GAAP Basis	\$ 0	0	0	0

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

~~(NOTE TO PREPARER: If a material violation occurs, then this note should be part of the notes to the financial statements.)~~

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2009:

Fund	Excess
General Fund	\$
Special Revenue Funds: (list individual funds)	

~~(NOTE TO PREPARER: Edit or delete the following sentences)~~

All the funds listed above, (or The (list the funds) are in violation of Section 19-11-17, Miss. Code Ann. (1972). However, the county has no liability associated with these violations.

E. Unbudgeted Funds.

The following funds were not budgeted for the year ended September 30, 2009:

Special Revenue Funds:
(List individual funds)

The unbudgeted funds are in violation of state law. However, the county has no liability associated with the violation.

@COUNTY COUNTY

SUPPLEMENTAL INFORMATION

@COUNTY COUNTY
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2009

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
---	---------------------------	--	-------------------------

~~(NOTE TO AUDITOR: List programs by CFDA number in numerical order.)~~

~~(NOTE TO AUDITOR: The auditor should reference Notes B and C to individual grants listed in the schedule.)~~

\$

Total Expenditures of Federal Awards

\$ 0

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Significant Accounting Policies

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

Note B - (Name of Grant)

~~The value of federal awards expended in the form of loans made to _____ as of September 30, 2009, is \$ ____.~~

Note C - (Name of Grant)

~~Of the federal expenditures presented in the schedule, the county provided federal awards totaling \$ _____ to subrecipients during the year ended September 30, 2009.~~

* Denotes major federal award program

(NOTE TO PREPARER: Use this reconciliation when solid waste costs are incurred and recorded in a Special Revenue Fund. Delete lines as necessary for a particular situation.)

@COUNTY COUNTY

Reconciliation of Operating Costs of Solid Waste
For the Year Ended September 30, 2009

Operating Expenditures, Cash Basis:

Salaries	\$	
Expendable Commodities:		
Gasoline and petroleum products		
Repair parts		
Clothing		
Maintenance		
Insurance on equipment		
Supplies (includes equipment under the capitalization thresholds)		
 Solid Waste Cash Basis Operating Expenditures		0
 Full Cost Expenses:		
Indirect administrative costs		
Depreciation on equipment		
Net effect of other accrued expenses		
		<hr/>
Solid Waste Full Cost Operating Expenses	\$	<u>0</u>

@COUNTY COUNTY

SPECIAL REPORTS

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

Members of the Board of Supervisors
@County 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 @County County, Mississippi, as of and for the year ended September 30, 2009, which collectively comprise the county's basic financial statements and have issued our report thereon dated @Date. ~~(NOTE TO AUDITOR: Describe any departures from the standard report (for example, a qualified opinion, a reference to the report of other auditors). Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the county's primary government unless the county also issues financial statements for the financial reporting entity that include the financial data for its component units. The report is qualified on the governmental activities because (explain the qualification, such as) the county did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets as required by accounting principles generally accepted in the United States of America or the county did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America. 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

~~(NOTE TO AUDITOR: The next four paragraphs are to be selected if no significant deficiencies or material weaknesses are reported. Delete paragraphs if significant deficiencies or material weaknesses are reported.)~~

In planning and performing our audit, we considered @County 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.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the county's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the county's financial statements that is more than inconsequential will not be prevented or detected by the county's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the county's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

~~(NOTE TO AUDITOR: Select the next two paragraphs if significant deficiencies are reported. Otherwise, delete next two paragraphs if significant deficiencies are not reported.)~~

In planning and performing our audit, we considered @County 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. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the county's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the county's financial statements that is more than inconsequential will not be prevented or detected by the county's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs and Responses as 09-1, 09-2, and 09-3 to be significant deficiencies in internal control over financial reporting. ~~(NOTE TO AUDITOR: Change Schedule of Findings and Questioned Costs to Schedule of Findings and Responses if this report is issued for an audit that is not subject to compliance with OMB Circular A-133. Also, edit findings numbers included in the phrase "09-1, 09-2, and 09-3" as appropriate.)~~

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the county's internal control.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. ~~(NOTE TO AUDITOR: Select and then edit, if necessary, the appropriate sentence.)~~ However, we believe that none of the significant deficiencies described above is a material weakness. However, of the significant deficiencies described above, we consider items *(list the reference numbers of related findings, example 09-1, 09-2)* to be material weaknesses.

Compliance and Other Matters

~~(NOTE TO AUDITOR: Use the following paragraph if tests disclosed no instances of noncompliance. Delete paragraph if instances of noncompliance are reported.)~~

As part of obtaining reasonable assurance about whether @County 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*.

~~(NOTE TO AUDITOR: Edit or delete next sentence as appropriate. If there is a qualified opinion because of capital assets and/or findings in the purchasing report, delete “immaterial”.)~~ However, we noted certain matters that we reported to the management of @County 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 @Date, included within this document.

~~(NOTE TO AUDITOR: Select the next two paragraphs if instances of noncompliance are reported. Otherwise, delete next two paragraphs if instances of noncompliance are not reported.)~~

As part of obtaining reasonable assurance about whether @County 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs and Responses as items (list the reference numbers of the related findings, for example, 09-1 and 09-2). ~~(NOTE TO AUDITOR: Change Schedule of Findings and Questioned Costs to Schedule of Findings and Responses if this report is issued for an audit that is not subject to compliance with OMB Circular A-133.)~~

~~(NOTE TO AUDITOR: Edit or delete next sentence as appropriate. If there is a qualified opinion because of capital assets and/or findings in the purchasing report, delete “immaterial”.)~~ We also noted certain immaterial instances of noncompliance which we have reported to the management of @County 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 @Date, included within this document.

~~(NOTE TO AUDITOR: Edit or delete next sentences as appropriate.)~~ @County County’s response(s) to the finding(s) identified in our audit is(are) described in the accompanying Schedule of Findings and Questioned Costs and Responses. ~~(NOTE TO AUDITOR: Change Schedule of Findings and Questioned Costs to Schedule of Findings and Responses if this report is issued for an audit that is not subject to compliance with OMB Circular A-133.)~~ We did not audit @County County’s response(s) and, accordingly, we express no opinion on it(them).

~~(NOTE TO AUDITOR: Delete strike-out wording in next paragraph and edit if this report is issued for an audit that is not subject to compliance with OMB Circular A-133.)~~

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

@Date

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

Members of the Board of Supervisors
@County County, Mississippi

Compliance

We have audited the compliance of @County County, Mississippi with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to (each of) its major federal program(s) for the year ended September 30, 2009. @County County, Mississippi's major federal program(s) is/are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to (each of) its major federal program(s) is the responsibility of @County County, Mississippi's management. Our responsibility is to express an opinion on @County County, Mississippi's compliance based on our audit.

~~(NOTE TO AUDITOR: Delete the phrase, "Except as discussed in the following paragraph," in the opening sentence of the paragraph below if the opinion is other than qualified due to a scope limitation.)~~

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

~~(NOTE TO AUDITOR: Choose the correct opinion paragraph below and delete others.)~~

~~(NOTE TO AUDITOR: The next paragraph addresses an unqualified opinion on compliance and no findings.)~~

In our opinion, @County County, Mississippi, complied, in all material respects, with the requirements referred to above that are applicable to (each of) its major federal program(s) for the year ended September 30, 2009.

~~(NOTE TO AUDITOR: The next paragraph addresses an unqualified opinion and immaterial finding(s). Edit for singular finding.)~~

In our opinion, @County County, Mississippi, complied, in all material respects, with the requirements referred to above that are applicable to (each of) its major federal program(s) for the year ended September 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items *(list the reference numbers of the related findings, for example, 09-5, 09-7 and 09-8)*.

~~(NOTE TO AUDITOR: The next two paragraphs address a qualified opinion on compliance due to a scope limitation. Delete next two paragraphs if opinion is not qualified due to a scope limitation.)~~

We were unable to obtain sufficient documentation supporting the compliance of @County County, Mississippi, with *(identify the major federal program)* regarding *[identify the type(s) of compliance requirement]*, nor were we able to satisfy ourselves as to @County County, Mississippi's compliance with those requirements by other auditing procedures.

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding @County County, Mississippi's compliance with the requirements of *(identify the major federal program)* regarding *[identify the type(s) of compliance requirement]*, @County County, Mississippi, complied, in all material respects, with the requirements referred to above that are applicable to (each of) its other major federal program(s) for the year ended September 30, 2009. ~~(NOTE TO AUDITOR: Delete next sentence if no other instances of noncompliance are reported.)~~ The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items *(list the reference numbers of the related findings, for example, 09-5, 09-7 and 09-8)*.

~~(NOTE TO AUDITOR: The next paragraph can relate to either a qualified opinion or an adverse opinion on compliance due to a failure to comply with one or more compliance requirements. A qualified opinion will most likely address noncompliance with only one type of compliance requirement, whereas an adverse opinion will most likely address noncompliance with two or more types of compliance requirements. Delete next paragraph if opinion is other than qualified or adverse due to a failure to comply with one or more compliance requirements)~~

As described in items *(list the reference numbers of the related findings, for example, 09-5, 09-7 and 09-8)* in the accompanying Schedule of Findings and Questioned Costs, @County County, Mississippi, did not comply with requirements regarding *(identify the types of compliance requirements)* that are applicable to its *(identify major federal program)*. Compliance with such requirements is necessary, in our opinion, for @County County, Mississippi, to comply with the requirements applicable to that program.

~~(NOTE TO AUDITOR: The next paragraph addresses a qualified opinion on compliance due to a failure to comply with a type of compliance requirement. Delete paragraph if opinion is other than qualified due to a failure to comply with a type of compliance requirement.)~~

In our opinion, except for the noncompliance described in the preceding paragraph, @County County, Mississippi, complied, in all material respects, with the requirements referred to above that are applicable to (each of) its major federal program(s) for the year ended September 30, 2009. ~~(NOTE TO AUDITOR: Delete next sentence if no other instances of noncompliance are reported.)~~ The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items *(list the reference numbers of the related findings, for example, 09-5, 09-7 and 09-8)*.

~~(NOTE TO AUDITOR: The next paragraph addresses an adverse opinion on compliance due to a failure to comply with two or more types of compliance requirements. Delete paragraph if opinion is other than adverse due to a failure to comply with two or more types of compliance requirements.)~~

In our opinion, because of the effects of the noncompliance described in the preceding paragraph, @County County,

Mississippi, did not comply in all material respects with the requirements referred to above that are applicable to *(identify the major federal program)*. Also, in our opinion, @County County, Mississippi, complied, in all material respects, with the requirements referred to above that are applicable to (each of) its other major federal program(s) for the year ended September 30, 2009. ~~(NOTE TO AUDITOR: Delete next sentence if no other instances of noncompliance are reported.)~~ The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items *(list the reference numbers of the related findings, for example, 09-5, 09-7 and 09-8)*.

Internal Control Over Compliance

The management of @County County, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered @County County, Mississippi's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over compliance.

~~(NOTE TO AUDITOR: The next paragraph states, "We noted no matters involving the internal control over compliance..." Delete next paragraph if reportable conditions are reported.)~~

A control deficiency in a county's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the county's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the county's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the county's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

~~(NOTE TO AUDITOR: Select the next two paragraphs if significant deficiencies are reported. Otherwise, delete next two paragraphs if significant deficiencies are not reported.)~~

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the county's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies. ~~(NOTE TO AUDITOR: delete strike out if material weaknesses are reported) and others that we consider to be material weaknesses.~~

A control deficiency in a county's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the county's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the county's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items *(list the reference numbers of the related findings)* to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. ~~(NOTE TO AUDITOR: Select and then edit, if necessary, the appropriate sentence option, and delete the others.)~~ We ~~consider all~~/did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider items *(list the reference numbers of the related findings, for example, 09-8 and 09-9)* to be material weaknesses.

~~(NOTE TO AUDITOR: If no findings are referred to in this report, next paragraph should be omitted.)~~

@County County's response(s) to the finding(s) identified in our audit is~~(are)~~ described in the accompanying Schedule of Findings and Questioned Costs. We did not audit @County County's response(s) and, accordingly, we express no opinion on it~~(them)~~.

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

@Date

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
@County County, Mississippi

We have made a study and evaluation of the central purchasing system and inventory control system of @County County, Mississippi, as of and for the year ended September 30, 2009. 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 @County 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 @County 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.

~~(NOTE TO AUDITOR: Select next paragraph if opinion on financial statements is adverse or qualified due to a capital assets. Otherwise, delete it. Further, if the capital assets are not capitalized in the Statement of Net Assets, then change the third sentence in the preceding paragraph to read, "The Board of Supervisors ...has established central purchasing for all funds of the county, but has not established an inventory control system.")~~

The county did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets.

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.

~~(NOTE TO AUDITOR: Select next paragraph if opinion is unqualified. Otherwise, delete it.)~~

In our opinion, @County County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements.

~~(NOTE TO AUDITOR: Select next paragraph if opinion is either qualified or adverse. Otherwise, delete it.)~~

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

recommendations and your responses are disclosed below:

Purchase Clerk.

1. Finding

Recommendation

Purchase Clerk's Response

~~(NOTE TO AUDITOR: The opinion paragraph below addresses two qualifications: (1) an inventory qualification as explained in the third paragraph of this report, and (2) a noncompliance qualification with the central purchasing system. Select next paragraph if opinion is qualified; however, delete the phrase, "except as explained in the third paragraph," if the opinion on the financial statements does not address a capital assets qualification. Delete next paragraph altogether if the opinion on both central purchasing and inventory is unqualified.~~

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

~~(NOTE TO AUDITOR: Select next paragraph if opinion is adverse. Otherwise, delete it.)~~

In our opinion, because of the noncompliance referred to in the preceding paragraph, @County County, Mississippi, did not comply, in all material respects, with state laws governing central purchasing, inventory and bid requirements.

~~(NOTE TO AUDITOR: If an adverse opinion is issued but the county passes a retest prior to the issuance of the report, include the following paragraph.)~~

~~————@County County's purchasing system was not in compliance with state laws governing central purchasing for fiscal year 2009. The system was retested and as of (date of retest), @County County was in compliance with the central purchasing system.~~

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.

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

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

@Date

~~(NOTE TO AUDITOR: If there are no purchases from other than the lowest bidder, then delete the rows with column headings and leave the statement, "Our tests results..." Otherwise, delete the row with the statement.)~~

~~(NOTE TO AUDITOR: If a bid did not meet the county's specifications, it should NOT be considered as a low bid item. The bid should not have been considered and therefore, not accepted by the Board of Supervisors.~~

@COUNTY COUNTY

Schedule 1

Schedule of Purchases Not Made From the Lowest Bidder

For the Year Ended September 30, 2009

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

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
		\$		\$	

(NOTE TO PREPARER: If there are no emergency purchases, then delete the rows with column headings and leave the statement, "Our test results...". Otherwise, delete the row with the statement.)

(NOTE TO AUDITOR: If the county includes an item which is not an emergency purchase, a finding should be included in the purchase report.)

@COUNTY COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2009

Schedule 2

Our test results did not identify any emergency purchases.

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
-------------	-----------------------	--------------------	---------------	--------------------------------------

\$

(NOTE TO AUDITOR: If there are no purchases made noncompetitively from a sole source, then delete the rows with column headings and leave the statement, "Our test results...". Otherwise, delete the row with the statement.)

(NOTE TO AUDITOR: If the county includes an item which is not a sole source purchase, a finding should be included in the purchase report.)

@COUNTY COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source

For the Year Ended September 30, 2009

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
-------------	---------------------------	------------------------	---------------

\$

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
@County County, Mississippi

In planning and performing our audit of the financial statements of @County County, Mississippi for the year ended September 30, 2009, we considered @County County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to @County 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 @Date, on the financial statements of @County County, Mississippi.

(NOTE TO AUDITOR: Select next paragraph if no findings are reported. Otherwise, delete the next paragraph and disclose findings.)

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, 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.

(NOTE TO AUDITOR: Delete next two paragraphs and the finding references if no findings are reported)

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 (*delete "areas" and replace with the following phrase as appropriate*) ~~immaterial instances of noncompliance with state laws and regulations~~ that are opportunities for strengthening internal controls and operating efficiency. Our finding(s), recommendation(s), and your response(s) are disclosed below:

Board of Supervisors.

1. Finding

Recommendation

Board of Supervisors' Response

The Mississippi Office of the State Auditor has taken exception to certain costs. The details of the exception(s) and disposition(s) are as follows:

Exception Issued On/Demand Issued On:

(Name, Title)

Nature of Exception/Demand:

See (Name of Office?) Finding # ___ described in this report.

Amount of Exception/Demand:

\$

Disposition of Exception/Demand:

This matter has been turned over to the Investigative Division of the Office of the State Auditor.

@County County's response(s) to the finding(s) included in this report was(~~were~~) not audited, and accordingly, we express no opinion on it(~~them~~).

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

@Date

@COUNTY COUNTY

When no single audit, delete the words “and Questioned Costs” and replace with “and Responses” in the title below and subsequent pages

SCHEDULE OF FINDINGS AND QUESTIONED COSTS ~~AND RESPONSES~~

Schedule of Findings and Questioned Costs and Responses
For the Year Ended September 30, 2009

Section 1: Summary of Auditor's Results

~~(NOTE TO AUDITOR: Section 1, Summary of Auditor's Results, will always be presented as part of the Schedule of Findings and Questioned Costs. However, when no single audit is required, delete the table containing items 4 through 10. Read carefully and include the appropriate response in the last column to each item, except for identification of major programs. The response options are included after the statement and should be deleted when removing the strikeout.)~~

Financial Statements:

1. Type of auditor's report issued on the financial statements: ~~(Unqualified)~~
~~(Note to Auditor: If any opinion unit is other than unqualified, then report each opinion unit separately)~~
~~Governmental activities (Unqualified, Qualified, Adverse or Disclaimer)~~
~~Business-type activities (Unqualified, Qualified, Adverse or Disclaimer)~~
~~Aggregate discretely presented component units (Unqualified, Qualified, Adverse or Disclaimer)~~
~~Each major fund (Unqualified, Qualified, Adverse or Disclaimer)~~
~~Aggregate remaining fund information (Unqualified, Qualified, Adverse or Disclaimer)~~
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? ~~(Yes or No)~~
 - b. Significant deficiency(ies) identified that (is/are) not considered to be a material weakness(es)? ~~(Yes or None Reported)~~
3. Noncompliance material to the financial statements noted? ~~(Yes or No)~~

Federal Awards:

4. Internal control over major programs:
 - a. Material weakness(es) identified? ~~(Yes or No)~~
 - b. Significant deficiency(ies) identified that (is/are) not considered to be a material weakness(es)? ~~(Yes or None Reported)~~
5. Type of auditor's report issued on compliance for major federal programs:
~~(Unqualified, Qualified, Adverse or Disclaimer)~~
~~(NOTE TO AUDITOR: If report is other than unqualified, specify the major federal program and type of report issued.)~~
6. Any audit finding(s) disclosed that are required to be reported in accordance with Section __.510(a) of OMB Circular A-133? ~~(Yes or No)~~
7. Federal programs identified as major programs:
 - a. ~~(Program name, CFDA #)~~
 - b. ~~(Program name, CFDA #)~~

Schedule of Findings and Questioned Costs and Responses
For the Year Ended September 30, 2009

c. ~~(Program name, CFDA #)~~

8. The dollar threshold used to distinguish between type A and type B programs: \$300,000
9. Auditee qualified as a low-risk auditee? ~~(Yes or No)~~
10. Prior fiscal year audit finding(s) and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section ____ .315(b) of OMB Circular A-133? ~~(Yes or No)~~

~~(NOTE TO AUDITOR: Federal program names listed above should be identified exactly as reported on both the Schedule of Expenditures of Federal Awards and as on the data collection form. Example, Community development block grants/state's program or Highway planning and construction.)~~

Section 2: Financial Statement Findings

~~(NOTE TO AUDITOR: Select next sentence if no findings related to the financial statements are reported. Otherwise, delete sentence and disclose findings.)~~

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

(Note to auditor: Identify each finding by type. Example: Significant Deficiency, Material Weakness, & Material Noncompliance)

Board of Supervisors.

Significant Deficiency – Material Weakness

09 - 1. Finding

Recommendation

Board of Supervisors' Response

(Include response if the audit has no corrective action plan for a single audit. If the audit has a corrective action plan for a single audit, include responses for all findings if any of the findings include an auditor's note. Otherwise, do not include responses in this section.)

Significant Deficiency

09 - 2. Finding

Recommendation

Board of Supervisors' Response

(Include response if the audit has no corrective action plan for a single audit. If the audit has a corrective action plan for a single audit, include responses for all findings if any of the findings include an auditor's note. Otherwise, do not include responses in this section.)

Section 3: Federal Award Findings and Questioned Costs

~~(NOTE TO AUDITOR: Select next sentence if no findings related to federal awards are reported. Otherwise, delete~~

Schedule of Findings and Questioned Costs and Responses
For the Year Ended September 30, 2009

sentence and disclose findings.)

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

09 - 3. Finding

Program: (CFDA Title & #; Federal Award # & Year; Name of Federal Agency and Pass-through Agency)

Compliance Requirement: (Identify specific requirement upon which audit finding is based.)

(Describe finding. Be sure to include the condition found, including facts that support the deficiency identified in the audit finding, information to provide proper perspective for judging the prevalence and consequences of the audit finding, and the possible asserted effect to provide sufficient information to permit the determination of the cause and effect of the finding to facilitate prompt and proper corrective action. Be sure to include the Code of Federal Regulations (CFR) reference that details the criteria.)

Questioned Costs: (Identify amount of questioned costs or state that this finding did not result in any questioned costs. The issue of questioned costs is only addressed in findings related to compliance.)

Recommendation

(Describe recommendation to prevent future occurrences of the deficiencies identified in the audit finding. Be very clear as to what you recommend the client should do to correct the deficiency.)

Auditee's Response

(Include responses for all findings if any of the findings include an auditor's note. Otherwise, do not include responses in this section.)

@COUNTY COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN
AND
AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS