@COUNTY COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2013

@COUNTY COUNTY

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@COUNTY COUNTY

FINANCIAL SECTION

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**~~

Report on the Financial Statements

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, (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

~~**Use with all type reports**~~

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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 position, 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 position, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of @County County, Mississippi, as of September 30, 2013, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

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, 2013, and the respective changes in financial position, ~~and, where applicable, cash flows~~ thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

~~(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.)~~

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule~~(s)~~ and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. ~~(NOTE TO AUDITOR: Delete the last sentence, from the above paragraph, and replace with the following if a material departure exists.) Although our opinion on the basic financial statements is not affected, the following material departures from the prescribed guidelines exist. 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). We do not express an opinion or provide any assurance on the information.~~

~~**Omission of Required Supplementary Information**~~

@County County, Mississippi, has omitted the Management's Discussion and Analysis, ~~the Budgetary Comparison Schedule(s) and the corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits~~ that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

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 is the responsibility of management and was ~~(were)~~ derived from and relate(s) directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ has~~/(have)~~ been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ is~~(are)~~ fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

Other Reporting Required by *Government Auditing Standards*

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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering @ County County, Mississippi's internal control over financial reporting and compliance.

@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

~~**Unmodified opinions on the basic financial statements – No component units.**~~

Members of the Board of Supervisors
@County County, Mississippi

Report on the Financial Statements

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, (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

~~**Unmodified opinion**~~

Opinions

In our opinion, the financial statements referred to above 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, 2013, and the respective changes in financial position, ~~and, where applicable, cash flows~~ thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

~~**FOR Qualifications to the Opinion, delete 3rd paragraph and include qualification opinion(s).**~~

~~(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.)~~

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule~~(s)~~ and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. ~~(NOTE TO AUDITOR: Delete the last sentence, from the above paragraph, and replace with the following if a material departure exists.) .) Although our opinion on the basic financial statements is not affected, the following material departures from the prescribed guidelines exist. 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) We do not express an opinion or provide any assurance on the information.~~

~~**Omission of Required Supplementary Information**~~

@County County, Mississippi, has omitted the Management's Discussion and Analysis~~, the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits~~ that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ has~~/(have)~~ been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ is~~(are)~~ fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering @ County County, Mississippi's internal control over financial reporting and compliance.

@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

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

Members of the Board of Supervisors
@County County, Mississippi

Report on the Financial Statements

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, (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 position, and revenues of the (identify the governmental and/or proprietary component units). Those statements were audited by other auditors whose reports 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 solely 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 from material misstatement. ~~However, the financial statements of _____, _____, component units, audited by other auditors were not audited in accordance with *Government Auditing Standards.*~~

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental 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, 2013, and the respective changes in financial position, ~~and, where applicable, cash flows~~ thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

~~(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.)~~

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule~~(s)~~ and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. ~~(NOTE TO AUDITOR: Delete the last sentence, from the above paragraph, and replace with the following if a material departure exists.) Although our opinion on the basic financial statements is not affected, the following material departures from the prescribed guidelines exist. 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). We do not express an opinion or provide any assurance on the information.~~

~~**Omission of Required Supplementary Information**~~

@County County, Mississippi, has omitted the Management's Discussion and Analysis~~, the Budgetary Comparison Schedule(s) and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits~~ that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ has/~~have~~ been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ is~~(are)~~ fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering @ County County, Mississippi's internal control over financial reporting and compliance.

@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

Report on Financial Statements

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, (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

~~USE THE LANGUAGE BELOW FOR A DISCLAIMER OF OPINION OTHERWISE DELETE IT~~

~~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, 2013, and the related notes to the financial statements. We were engaged to audit the financial statements of the aggregate discretely presented component units. These financial statements collectively comprise the County's basic financial statements as listed in the table of contents.~~

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

~~USE THE LANGUAGE BELOW FOR A DISCLAIMER OF OPINION OTHERWISE DELETE IT~~

~~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 from material misstatement. Because of the matter(s) described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate discretely presented component units.~~

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

~~USE THE FOLLOWING THREE PARAGRAPHS FOR QUALIFICATION OF OPINION ON THE AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS~~

Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of (identify component unit or units 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 units 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 position, and revenues, respectively, of the County's aggregate discretely presented component units.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of @County County, Mississippi, as of September 30, 2013, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above 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, 2013, and the respective changes in financial position, ~~and, where applicable, cash flows~~ thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

~~USE THE FOLLOWING THREE PARAGRAPHS FOR DISCLAIMER OF OPINION ON THE AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS~~

~~**Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units**~~

~~The financial statements of (identify component unit or units 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 units 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 position, and revenues, respectively, of the County's aggregate discretely presented component units.~~

~~**Disclaimer of Opinion**~~

~~Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of @County County, Mississippi. Accordingly, we do not express an opinion on these financial statements.~~

~~**Unmodified Opinions**~~

~~In our opinion, the financial statements referred to above 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.~~

~~(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.)~~

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule~~(s)~~ and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. ~~(NOTE TO AUDITOR: Delete the last sentence, from the above paragraph, and replace with the following if a material departure exists.) Although our opinion on the basic financial statements is not affected, the following material departures from the prescribed guidelines exist. 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). We do not express an opinion or provide any assurance on the information.~~

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

@County County, Mississippi, has omitted the Management's Discussion and Analysis, ~~the Budgetary Comparison Schedule(s) and the corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits~~ that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ has~~/(have)~~ been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ is~~(are)~~ fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering @ County County, Mississippi's internal control over financial reporting and compliance.

@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**~~

Report on the Financial Statements

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, (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

~~**Use with all type reports**~~

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

~~**Use with all type reports**~~

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

~~**Qualified opinion**~~

Basis for Qualified Opinion on Governmental Activities

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 position and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position and expenses of the governmental activities is not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinions on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of @County County, Mississippi, as of September 30, 2013, and the change in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of @County County, Mississippi, as of September 30, 2013, and the respective changes in financial position, ~~and, where applicable, cash flows~~ thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

~~(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.)~~

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule~~(s)~~ and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. ~~(NOTE TO AUDITOR: Delete the last sentence, from the above paragraph, and replace with the following if a material departure exists.) Although our opinion on the basic financial statements is not affected, the following material departures from the prescribed guidelines exist. 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). We do not express an opinion or provide any assurance on the information.~~

~~**Omission of Required Supplementary Information**~~

@County County, Mississippi, has omitted the Management's Discussion and Analysis, ~~the Budgetary Comparison Schedule(s) and the corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits~~ that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ has/(have) been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards ~~and the Reconciliation of Operating Costs of Solid Waste~~ is~~(are)~~ fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering @ County County, Mississippi's internal control over financial reporting and compliance.

@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)~~

MANAGEMENT'S DISCUSSION AND ANALYSIS

@COUNTY COUNTY

FINANCIAL STATEMENTS

Statement of Net Position

Statement of Activities

Balance Sheet - Governmental Funds

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Statement of Net Position - Proprietary Fund(s)

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund(s)

Statement of Cash Flows - Proprietary Fund(s)

Statement of Fiduciary Assets and Liabilities

~~NOTE TO PREPARER: If the county has private purpose trust funds, then change name of statement to "Statement of Fiduciary Net Position" and include Exhibit 9.~~

Statement of Changes in Fiduciary Net Position

(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 accordance with accounting principles generally accepted in the United States of America.

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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~~
~~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.)~~

~~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 Position" and the "Condensed Statement of Activities" for these component units. May add combining exhibits for the component units.~~

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the county as a whole. The statements include all nonfiduciary activities of the primary government ~~and its component units~~. For the most part, the effect of interfund activity has been removed from these statements. ~~(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 Position presents the financial condition of the governmental activities ~~and business-type activities~~ of the county at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities ~~and business-type activities~~. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the county, with certain limited exceptions. ~~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 activity 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 as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic 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 revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

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

The county reports the following major Governmental Funds:

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

~~(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 Enterprise 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

Permanent Funds - These funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's 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.

E. Account Classifications.

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

F. Deposits and Investments.

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

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

G. Receivables.

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

H. Interfund Transactions and Balances.

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

I. 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.

J. 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.

~~NOTE TO PREPARER: When the county has restricted assets, provide details as to the restrictions. See the following example disclosure:~~

~~[Proprietary Fund 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. Certain proceeds of the County's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "capitalized interest" account is funded by bank bond proceeds and is used to pay the related interest due on revenue bonds prior to the completion of construction of the project. The "debt service reserve" account is used to report resources set aside to subsidize potential deficiencies from the County's operation that could adversely affect debt service payments. The "project fund" account is used to report those proceeds of revenue bonds issuances that are restricted for use in construction. The "startup-costs" account is used to report resources set aside to provide funds required to fund startup costs associated with the project. The "bond issuance expense" account is used to segregate resources set aside to pay bond issue cost. When both restricted and nonrestricted assets are available for use, the policy is to use the restricted assets first.]~~

K. Capital Assets.

~~(NOTE TO PREPARER: Edit the following paragraph if the opinion on capital assets is either qualified or adverse because the capital assets reported on the accompanying Statement of Net Position 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 Unmodified.) 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 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.

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

L. Deferred Outflows/Inflows of Resources.

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

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

M. Long-term Liabilities.

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

In the government-wide financial statements ~~and in the Proprietary Fund financial statements,~~ long-term debt and other long-term obligations are reported as liabilities in the ~~applicable~~ governmental activities, ~~business-type activities or Proprietary Funds~~ Statement of Net Position. ~~(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.~~

~~(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.~~

N. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as Net Position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

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

Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the county: ~~(NOTE TO PREPARER: Delete any classification not relevant to the county.)~~

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

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

Committed fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the County's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

Assigned fund balance includes amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the _____ pursuant to authorization established by [input policy].

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

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

O. 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.

P. Intergovernmental Revenues in Governmental Funds.

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

Q. 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) ~~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.~~

(3) 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
	$	0
Total prior period adjustment(s)	$	0

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

Explanation		Amount
	$	0
Total prior period adjustment(s)	$	0

Exhibit 6 - Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.

Explanation		Amount
	$	0
Total prior period adjustment(s)	$	0

(4) 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, 2013, 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 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, 2013, are as follows:

Investment Type	Maturities		Fair Value	Rating
(Enter description)	(In Years)	$		
(Enter description)	(In Years)			
(Enter description)	(In Years)			
Total		$	0	

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 addresses 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 ___% or 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		$ 0	

(5) Interfund Transactions and Balances.

~~(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, 2013:

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
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		$ 0

~~(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, 2013. All interfund balances are expected to be repaid within one year from the date of the financial statements.~~

B. Advances from/to Other Funds:

Receivable Fund	Payable Fund		Amount
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		$	0

~~(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:

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		$	0

~~(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.)~~

(6) 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 maybe listed as other.~~

Intergovernmental receivables at September 30, 2013, consisted of the following:

Description		Amount
Governmental Activities:		
Legislative tax credit	$	
Total Governmental Activities	$	0
Business-type Activities:		
	$	
Total Business-type Activities	$	0

(7) Loans Receivable.

Loans receivable balances at September 30, 2013, are as follows:

Description	Date of Loan	Interest Rate	Maturity Date		Receivable Balance
				$	
Total				$	0

(8) Restricted Assets.

~~(NOTE TO PREPARER: If the following is not applicable, delete this note disclosure and re-number notes. Restricted asset accounts will vary with each county. Modify accordingly.)~~

The balances of the restricted asset accounts in the enterprise funds are as follows:

Capitalized interest	$	
Debt service reserve		
Project fund		
Startup cost account		
Bond issuance expense		
Total restricted assets	$	0

(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, 2013:

Governmental activities:

		Balance Oct. 1, 2012	Additions	Deletions	Adjustments	Balance Sept. 30, 2013
Non-depreciable capital assets:						
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 assets, net		0	0	0	0	0
Governmental activities capital assets, net	$	0	0	0	0	0

Business-type activities:

		Balance Oct. 1, 2012	Additions	Deletions	Adjustments	Balance Sept. 30, 2013
Non-depreciable capital assets:						
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 assets, net		0	0	0	0	0
Business-type activities capital assets, net	$	0	0	0	0	0

~~(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:

		Amount
Governmental Activities:		
General government	$	
Public safety		
Public works		
Health and welfare		
Culture and recreation		
Total governmental activities depreciation expense	$	0

Business-type activities:		
Solid waste	$	
Correctional facility		
~~(Other business-type activity reported on Exhibit 2)~~		
Total business-type activities depreciation expense	$	0

Commitments with respect to unfinished capital projects at September 30, 2013, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
	$	

~~(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 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, 2013, to January 1, 2014. 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 2012 and 2013:

		2012	2013
Unpaid Claims, Beginning of Fiscal Year	$		
Plus: Incurred Claims (Including IBNRs)			
Less: Claims Payments			
Unpaid Claims, End of Fiscal Year	$	0	0

~~(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 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.

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. @County County pays the premium on a single coverage policy for its 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 minimum uninsured risk retention for the 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 position balance at September 30, 2013, 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, 2013, 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
2011 – 2012	$			0
2012 – 2013	$			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 leases was $_____ for the year ended September 30, 2013. The future minimum lease receivables for these leases are as follows:

Year Ended September 30		Amount
2014	$	
2015		
2016		
2017		
2018		
2019 – 2023		
2024 – 2028		
2029 – 2033		
2034 – 2038		
Total Minimum Payments Required	$	0

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, 2013. The future minimum lease payments for these leases are as follows:

Year Ended September 30		Amount
2014	$	
2015		
2016		
2017		
2018		
2019 – 2023		
2024 – 2028		
2029 – 2033		
2034 – 2038		
2039 – 2043		
Total Minimum Payments Required	$	0

(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, 2013:

Classes of Property		Amount
Buildings	$	
Other		
Total	$	0

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2013, are as follows:

Year Ended September 30		Principal	Interest
2014	$		
2015			
2016			
2017			
2018			
2019 – 2023			
2024 – 2028			
2029 – 2033			
2034 – 2038			
2039 – 2043			
Total	$	0	0

As Lessee:

The county is obligated for the following capital assets acquired through capital leases as of September 30, 2013:

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

The following is a schedule by years of the total payments due as of September 30, 2013:

		Governmental Activities		Business-type Activities	
Year Ending September 30		Principal	Interest	Principal	Interest
2014	$				
2015					
2016					
2017					
2018					
2019 – 2023					
Total	$	0	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, 2013:

Description of Debt		Balance Oct. 1, 2012	Additions	Reductions	Adjustments	Balance Sept. 30, 2013
	$					0
						0
						0
						0
						0
Total	$	0	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, 2012, the county implemented GASB Statement 45 prospectively, which requires reporting on an accrual basis the liability associated with other postemployment benefits. (NOTE TO PREPARER: If the county implements in FY 2013, include this sentence.)~~ 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 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

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, 2013, 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, 2013~~. ~~(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 2013:

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: In 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 2013:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	$	%	$

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, 2013, consisted of the following:
~~(NOTE TO PREPARER: Interest rates should include 2 decimal places, example 2.00, 2.25, 2.10)~~

Description and Purpose		Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:				
A. General Obligation Bonds:				
	$			
Total General Obligation Bonds	$	0		
B. Limited Obligation Bonds:				
	$			
Total Limited Obligation Bonds	$	0		

Description and Purpose		Amount Outstanding	Interest Rate	Final Maturity Date
C. Special Assessment Debt with Commitments				
	$			
Total Special Assessment Debt with Commitments	$	0		
D. Equipment Notes:				
	$			
Total Equipment Notes	$	0		
E. Capital Leases:				
	$			
Total Capital Leases	$	0		
F. Other Loans:				
	$			
Total Other Loans	$	0		

Business-type Activities:

A. General Obligation Bonds:				
	$			
Total General Obligation Bonds	$	0		

Description and Purpose		Amount Outstanding	Interest Rate	Final Maturity Date
B. Limited Obligation Bonds:				
	$			
Total Limited Obligation Bonds	$	0		
C. Equipment Notes:				
	$			
Total Equipment Notes	$	0		
D. Capital Leases:				
	$			
Total Capital Leases	$	0		
E. Other Loans:				
	$			
Total Other Loans	$	0		

~~(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 Position 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:

	General Obligation Bonds		Limited Obligation Bonds	
Year Ending September 30	Principal	Interest	Principal	Interest
2014	$			
2015				
2016				
2017				
2018				
2019 – 2023				
2024 – 2028				
2029 – 2033				
2034 – 2038				
2039 – 2043				
Total	$ 0	0	0	0

	Equipment Notes		Other Loans	
Year Ending September 30	Principal	Interest	Principal	Interest
2014	$			
2015				
2016				
2017				
2018				
2019 – 2023				
2024 – 2028				
2029 – 2033				
2034 – 2038				
2039 – 2043				
Total	$ 0	0	0	0

Business-type Activities:

Year Ending September 30	General Obligation Bonds Principal	General Obligation Bonds Interest	Limited Obligation Bonds Principal	Limited Obligation Bonds Interest
2014	$			
2015				
2016				
2017				
2018				
2019 – 2023				
2024 – 2028				
2029 – 2033				
2034 – 2038				
2039 – 2043				
Total	$ 0	0	0	0

Year Ending September 30	Equipment Notes Principal	Equipment Notes Interest	Other Loans Principal	Other Loans Interest
2014	$			
2015				
2016				
2017				
2018				
2019 – 2023				
2024 – 2028				
2029 – 2033				
2034 – 2038				
2039 – 2043				
Total	$ 0	0	0	0

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, 2013, 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, 2013, $___ 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.)~~

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

Issue	Average Interest Rate	Outstanding Amount Refunded
		$

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

The county 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 refunded the above bonds to reduce its total debt service payments over the next ____ years by almost $____; however, the refunding resulted in an economic loss of $____.

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 2013.

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

~~(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, 2013, $____ 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, 2013:

	Balance Oct. 1, 2012	Additions	Reductions	Adjustments	Balance Sept. 30, 2013	Amount due within one year
Governmental Activities:						
Compensated absences	$				0	
Claims and judgments					0	
General obligation bonds					0	
Less:						
Deferred amt on refunding					0	
Discounts					0	
Add:						
Premiums					0	
Limited obligation bonds					0	
Less:						
Deferred amt on refunding					0	
Discounts					0	
Add:						
Premiums					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	
Less:						

Deferred amt on refunding					0	
Discounts					0	
Add:						
Premiums					0	
Limited obligation bonds					0	
Less:						
Deferred amt on refunding					0	
Discounts					0	
Add:						
Premiums					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 _____.

(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 position 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 position~~ at September 30, 2013:

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, 2013
General obligation enterprise bonds ~~(notes)~~	$	
General obligation school bonds ~~(notes)~~		
Total	$	0

~~(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, 2013, 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, 2013
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 Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. At September 30, 2013, PERS members were required to contribute 9% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The rate at September 30, 2013 was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2013, 2012 and 2011 were $_____, $_____ and $_____, respectively, equal to the required contributions for each year.

(24) Subsequent Events.

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

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

Subsequent to September 30, 2013, the county issued the following debt obligation(s):

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
		$		

(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) Derivative Instruments.

~~(NOTE TO PREPARER: Refer to GASB Statement No. 53 for guidance on implementing this statement and for the required note disclosure.)~~

(27) Effect of Deferred Amounts on Net Position.

The unrestricted net position amount of $_____ includes the effect of deferring the recognition of revenue from the up-front payment in the parking facilities service concession arrangement. The $_____ balance of the deferred inflow of resources at September 30, 2013 will be recognized as revenue and increase unrestricted net position over the remaining ____ years of the agreement.

~~NOTE TO PREPARER~~
~~Adjust the note to describe the specific circumstances of the county. GASB 63 requires disclosure in the notes unless the adequate detail is shown in the face of the F.S. Also, disclosure should be made in order to explain the effect on net position, if any.~~

(28) Extraordinary Items and/or Special Items.
~~(Describe any extraordinary or special items if applicable)~~

@COUNTY COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – General Fund

Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – Major Special Revenue Fund

@COUNTYCOUNTY
Schedule of Funding Progress – Other Postemployment Benefits
September 30, 2013

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, 2013

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:

	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, 2013:

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, 2013:

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

Schedule of Expenditures of Federal Awards

~~(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, 2013

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		
Solid Waste Full Cost Operating Expenses	$	0

@COUNTY COUNTY

OTHER INFORMATION

Schedule of Surety Bonds for County Officials

@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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, ~~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, 2013, and the related notes to the financial statements, 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 modification as to consistency because of a change in accounting principle, or 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 .~~

Internal Control Over Financial Reporting

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

~~[OPTION #1 >>> Use the following language if there are NO findings in internal control.]~~

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

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

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

****

~~[OPTION #2 >>> Use the following language if there are one or more significant deficiencies in internal control over financial reporting, NOT considered to be a material weakness.]~~

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs ~~and Responses~~ as 2013-001, 2013-002 and 2013-003 that we consider to be significant deficiencies.

~~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 findings numbers included in the phrase "2013-001, 2013-002 and 2013-003" as appropriate.~~

****

~~[OPTION #3 >>> Use the following language if one or more material weakness exists and one or more significant deficiencies exist.] .~~

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs ~~and Responses~~, we identified certain deficiencies in internal control that we consider to be material weaknesses [and significant deficiencies.] ~~NOTE TO AUDITOR: If no significant deficiencies are identified, the text within the brackets is omitted from the report.~~

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs ~~and Responses~~ as 2013-001, 2013-002 and 2013-003 to be material weaknesses.

[A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs ~~and Responses~~ as 2013-001, 2013-002 and 2013-003 to be significant deficiencies.] ~~NOTE TO AUDITOR: If no significant deficiencies are identified, the text within the brackets is omitted from the report.~~

~~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 findings numbers included in the phrase "2013-001, 2013-002 and 2013-003" as appropriate.~~

Compliance and Other Matters

~~[OPTION #1 >>> Use the following language if tests disclosed NO instances of noncompliance.]~~

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

However, we noted certain matters that we reported to the management of @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.

****

~~[OPTION #2 >>> Use the following language if instances of noncompliance are reported.]~~

As part of obtaining reasonable assurance about whether @County County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 2013-001, 2013-002 and 2013-003.

~~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 findings numbers included in the phrase "2013-001, 2013-002 and 2013-003" as appropriate.~~

We also noted certain matters 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: Use the following language with all scenarios and edit or delete as appropriate.]~~

@County County's Response(s) to Finding(s)

@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~~. @County County's response~~(s)~~ was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it~~(them)~~. [~~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.]~~

Purpose of this Report

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

@Date

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Members of the Board of Supervisors
@County County, Mississippi

Report on Compliance for Each Major Federal Program

We have audited @County County, Mississippi's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on ~~(each of)~~ its major federal program(s) for the year ended September 30, 2013. @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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of @County County, Mississippi's major federal program(s) based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination on @County County, Mississippi's compliance.

~~[NOTE TO AUDITOR: Choose the correct opinion paragraph below and delete others.]~~

~~[OPTION #1 >>> Use the next paragraph if you have an **UNMODIFIED opinion on compliance and NO findings**.]~~

Opinion on Each Major Federal Program

In our opinion, @County County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on ~~(each of)~~ its major federal program~~(s)~~ for the year ended September 30, 2013.

****
~~[OPTION #2 >>> Use the next paragraph if you have an **UNMODIFIED opinion and immaterial finding(s)**. Edit for singular finding.]~~

Opinion on Each Major Federal Program

In our opinion, @County County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on ~~(each of)~~ its major federal program~~(s)~~ for the year ended September 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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, 2013-005, 2013-006 and 2013-007)* Our opinion on each major federal program is not modified with respect to these matters.

@County County's response~~(s)~~ to the noncompliance finding~~(s)~~ identified in our audit is~~(are)~~ described in the accompanying Schedule of Findings and Questioned Costs. @County County's response~~(s)~~ was~~/were~~ not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response(s).

~~**********~~
~~[OPTION #3 >>> Use the next two paragraphs if you have a **qualified opinion on compliance due to a scope limitation**. Delete next two paragraphs if opinion is not qualified due to a scope limitation.]~~

Basis for Qualified Opinion on {Identify Major Federal Program}

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient documentation supporting the compliance of @County County, Mississippi with [*identify the major federal program* and associated finding number(s) matched to the type(s) *of compliance requirement]*, nor were we able to satisfy ourselves as to @County County's compliance with those requirements by other auditing procedures.

Qualified Opinion on {Identify Major Federal Program}

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, @County County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on ~~(each of)~~ its other major federal program~~(s)~~ for the year ended September 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, @County County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on ~~(each of)~~ its other major federal program~~(s)~~ identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended September 30, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, 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, 2013-005, 2013-006 and 2013-007).* Our opinion on each major federal program is not modified with respect to these matters.

@County County's response~~(s)~~ to the noncompliance finding~~(s)~~ identified in our audit is~~(are)~~ described in the accompanying Schedule of Findings and Questioned Costs. @County County's response~~(s)~~ was~~/were~~ not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response(s).

~~**********~~
~~[OPTION #4 >>> Use the next paragraph for a qualified opinion on compliance due to a failure to comply with a compliance requirement. 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 the following paragraphs if opinion is other than qualified due to a failure to comply with one or more compliance requirements.]~~

Basis for Qualified Opinion on {Identify Major Federal Program}

As described in the accompanying Schedule of Findings and Questioned Costs, @County County, Mississippi did not comply with requirements regarding [*identify the major federal program* and associated finding number(s) matched to the type(s) *of compliance requirement]*. Compliance with such requirements is necessary, in our opinion, for @County County, Mississippi to comply with the requirements applicable to that program.

Qualified Opinion on {Identify Major Federal Program}

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, @County County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on [*identify the major federal program*] for the year ended September 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, @County County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on ~~(each of)~~ its other major federal program~~(s)~~ identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended September 30, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, 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, 2013-005, 2013-006 and 2013-007).* Our opinion on each major federal program is not modified with respect to these matters.

@County County's response~~(s)~~ to the noncompliance finding~~(s)~~ identified in our audit is~~(are)~~ described in the accompanying Schedule of Findings and Questioned Costs. @County County's response~~(s)~~ was~~/were~~ not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response(s).

~~[OPTION #5 >>> Use the next paragraph for an adverse opinion on compliance due to a failure to comply more than one compliance requirement. 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 the following paragraphs if opinion is other than adverse due to a failure to comply with one or more compliance requirements.]~~

Basis for Adverse Opinion on {Identify Major Federal Program}

As described in the accompanying Schedule of Findings and Questioned Costs, @County County, Mississippi did not comply with requirements regarding [*identify the major federal program* and associated finding number(s) matched to the type(s) *of compliance requirement]*. Compliance with such requirements is necessary, in our opinion, for @County County, Mississippi to comply with the requirements applicable to that program.

Adverse Opinion on {Identify Major Federal Program}

In our opinion, because of the significance of the effects of the noncompliance described in the Basis for Adverse Opinion paragraph, @County County, Mississippi, did not comply in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on [*identify the major federal program*] for the year ended September 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, @County County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on ~~(each of)~~ its other major federal program~~(s)~~ identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended September 30, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, 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, 2013-005, 2013-006 and 2013-007).* Our opinion on each major federal program is not modified with respect to these matters.

@County County's response~~(s)~~ to the noncompliance finding~~(s)~~ identified in our audit is~~(are)~~ described in the accompanying Schedule of Findings and Questioned Costs. @County County's response~~(s)~~ was~~/were~~ not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response(s).

Report on Internal Control Over Compliance

Management of @County County, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered @County County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

~~[OPTION #1 >>> NO FINDINGS. The next paragraph states, "We noted no matters involving the internal control over compliance…" Delete next paragraph if findings are reported.]~~

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

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

****

~~[OPTION #2 >>> Select the next two paragraphs if significant deficiencies are reported. Otherwise, delete next two paragraphs if significant deficiencies are not reported.]~~

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying Schedule of Findings and Questioned Costs as items *(list the reference numbers of the related findings, for example 2013-005, 2013-006 and 2013-007)*, that we consider to be significant deficiencies.

****

~~[OPTION #3 >>> Select the next two paragraphs if significant deficiencies and/or material weaknesses are reported. Otherwise, delete next two paragraphs if significant deficiencies and/or material weaknesses are not reported.]~~

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies. ~~However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.~~ [~~NOTE TO AUDITOR: If no significant deficiencies were identified, delete last sentence and replace with the struck-out sentence.~~]

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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, for example 2013-005, 2013-006 and 2013-007)* to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. 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, for example 2013-005, 2013-006 and 2013-007)* to be significant deficiencies. [~~NOTE TO AUDITOR: If no significant deficiencies were identified, this paragraph should be deleted.~~]

****

~~[NOTE TO AUDITOR: If NO findings are referred to in this report, the next paragraph should be omitted.]~~

@County County's response~~(s)~~ to the internal control over compliance finding~~(s)~~ identified in our audit is~~(are)~~ described in the accompanying Schedule of Findings and Questioned Costs. @County County's response~~(s)~~ was~~/were~~ not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it~~(them)~~.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly this report is not suitable for any other purpose. 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 examined @County County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2013. The Board of Supervisors of @County County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of @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 Position, then change the fourth 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 current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

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

In our opinion, @County County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2013.

~~(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. <u>(Insert Finding Heading here. Finding Heading is a brief one sentence description of the finding that is underlined).</u>

   <u>Finding</u>

   <u>Recommendation</u>

   <u>Purchase Clerk's Response</u>

~~(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 Unmodified.~~

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 for the year ended September 30, 2013.

~~(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 for the year ended September 30, 2013.

~~(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 2013. 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 examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

@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 met 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, 2013

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

Date	Item Purchased	Bid Accepted	Vendor	Lowest Bid	Reason for Accepting Other Than the Lowest Bid
		$		$	

~~(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 2
Schedule of Emergency Purchases
For the Year Ended September 30, 2013

Our test results did not identify any emergency purchases.

Date	Item Purchased	Amount Paid	Vendor	Reason for Emergency Purchase
		$		

~~(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, 2013

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

Date	Item Purchased	Amount Paid	Vendor
		$	

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, 2013, 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. <u>(Insert Finding Heading here. Finding Heading is a brief one sentence description of the finding that is underlined).</u>

<u>Finding</u>

<u>Recommendation</u>

<u>Board of Supervisors' Response</u>

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~~

@COUNTY COUNTY

Schedule of Findings and Questioned Costs~~ and Responses~~
For the Year Ended September 30, 2013

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 9. 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: ~~(Unmodified)~~
   ~~(Note to Auditor: If any opinion unit is other than Unmodified, then report each opinion unit separately)~~
   ~~Governmental activities (Unmodified, Qualified, Adverse or Disclaimer)~~
   ~~Business-type activities (Unmodified, Qualified, Adverse or Disclaimer)~~
   ~~Aggregate discretely presented component units (Unmodified, Qualified, Adverse or Disclaimer)~~
   ~~Each major fund (Unmodified, Qualified, Adverse or Disclaimer)~~
   ~~Aggregate remaining fund information (Unmodified, Qualified, Adverse or Disclaimer)~~

2. Internal control over financial reporting:

   a. Material weakness(es) identified? ~~(Yes or No)~~

   b. Significant deficiency(ies) identified? ~~(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? ~~(Yes or None Reported)~~

5. Type of auditor's report issued on compliance for major federal programs:
   ~~(Unmodified, Qualified, Adverse or Disclaimer)~~
   ~~(NOTE TO AUDITOR: If report is other than Unmodified, 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. Identification of major programs:

   a. ~~(CFDA #, Program Name)~~

   b. ~~(CFDA #, Program Name)~~

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

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)~~

~~(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.

Material Weakness

2013-001. (Insert Finding Heading here. Finding Heading is a brief one sentence description of the finding that is underlined. Example: Controls over budgeting should be strengthened. Example 2: Bond should be obtained for Purchase Clerk in accordance with state law).

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

2013-002. (Insert Finding Heading here. Finding Heading is a brief one sentence description of the finding that is underlined).

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

@COUNTY COUNTY

Schedule of Findings and Questioned Costs~~ and Responses~~
For the Year Ended September 30, 2013

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

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

2013-003. (Insert Finding Heading here. Finding Heading is a brief one sentence description of the finding that is underlined).

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.)

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