

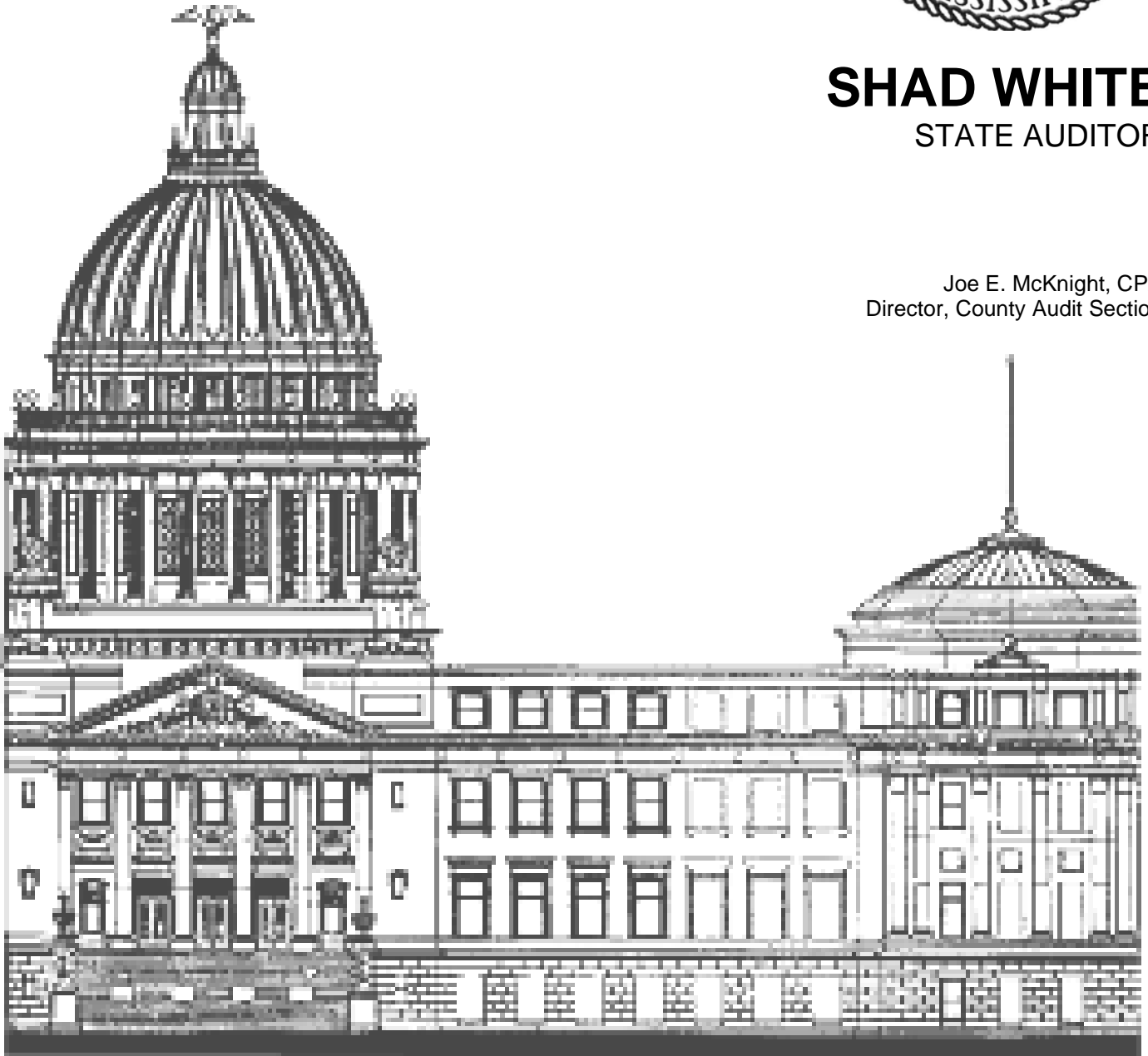
# BENTON COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2021



**SHAD WHITE**  
STATE AUDITOR

Joe E. McKnight, CPA  
Director, County Audit Section



A Report from the County Audit Section

[www.osa.state.ms.us](http://www.osa.state.ms.us)









**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**Shad White**  
AUDITOR

December 21, 2023

Members of the Board of Supervisors  
Benton County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2021 financial and compliance audit report for Benton County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed 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.

I appreciate the cooperation and courtesy extended by the officials and employees of Benton County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Benton County. If I or this office can be of any further assistance, please contact me or Joe McKnight of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shad White", is written over a horizontal line.

Shad White



BENTON COUNTY  
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BENTON COUNTY

FINANCIAL SECTION

## BENTON COUNTY

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Benton County, Mississippi

**Report on the Financial Statements**

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Mississippi, (the County) as of and for the year ended September 30, 2021, 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 the cash basis of accounting, as described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Mississippi, as of September 30, 2021, and the respective changes in cash basis financial position thereof for the year then ended, in accordance with the basis of accounting described in Note 1.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements which describes that Benton County, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Report on Other Information***

The Budgetary Comparison Schedules, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for County Officials and corresponding notes have 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 them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of Benton County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Benton County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Benton County, Mississippi's internal control over financial reporting and compliance.

JOE E. MCKNIGHT, CPA  
Director, County Audit Section

December 21, 2023

BENTON COUNTY

FINANCIAL STATEMENTS

## BENTON COUNTY

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BENTON COUNTY  
Statement of Net Position - Cash Basis  
September 30, 2021

Exhibit 1

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash	\$ 7,527,235
Total Assets	<u>7,527,235</u>
NET POSITION	
Restricted:	
Expendable:	
General government	121,002
Public safety	475,081
Public works	5,051,530
Culture and recreation	34,665
Unrestricted	<u>1,844,957</u>
Total Net Position	<u>\$ 7,527,235</u>

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

## BENTON COUNTY

## Statement of Activities - Cash Basis

For the Year Ended September 30, 2021

Exhibit 2

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes In Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 3,164,973	75,677	25,146		(3,064,150)
Public safety	1,548,020	268,531	242,733	5,304	(1,031,452)
Public works	4,641,866	192,505	954,042	3,325,948	(169,371)
Health and welfare	32,508		9,213		(23,295)
Culture and recreation	558,401				(558,401)
Education	1,521,999		220,142		(1,301,857)
Conservation of natural resources	67,845				(67,845)
Economic development and assistance	354,321				(354,321)
Debt service:					
Principal	1,242,168				(1,242,168)
Interest	140,456				(140,456)
Total Governmental Activities	\$ 13,272,557	536,713	1,451,276	3,331,252	(7,953,316)
General receipts:					
Property taxes					\$ 3,031,483
Road & bridge privilege taxes					123,181
In-lieu taxes - TVA					3,761,298
Grants and contributions not restricted to specific programs					1,116,252
Unrestricted interest income					24,356
Miscellaneous					270,941
Proceeds from debt issuance					187,315
Sale of county property					164,130
Compensation for loss of county property					22,900
Total General Receipts and Other Cash Sources					8,701,856
Changes in Net Position					748,540
Net Position - Beginning, as previously reported					6,774,518
Fund reclassification					4,177
Net Position - Beginning, as restated					6,778,695
Net Position - Ending					\$ 7,527,235

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



## BENTON COUNTY

Exhibit 3

## Statement of Cash Basis Assets and Fund Balances

## Governmental Funds

September 30, 2021

	<u>Major Funds</u>				<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Road &amp; Bridge</u>	<u>Bridge No. 37 -</u>	<u>Corona Virus</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Maintenance</u>	<u>JW Smith Road</u>	<u>State &amp; Local</u>	<u>Funds</u>	<u>Funds</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
ASSETS						
Cash	\$ 1,844,957	2,658,982	1,095,542	802,761	1,124,993	7,527,235
Total Assets	<u>\$ 1,844,957</u>	<u>2,658,982</u>	<u>1,095,542</u>	<u>802,761</u>	<u>1,124,993</u>	<u>7,527,235</u>
FUND BALANCES						
Restricted for:						
General government	\$				121,002	121,002
Public safety					475,081	475,081
Public works		2,658,982	1,095,542	802,761	494,245	5,051,530
Culture and recreation					34,665	34,665
Committed to:						
Economic development and assistance	954,769					954,769
Unassigned	890,188					890,188
Total Fund Balances	<u>\$ 1,844,957</u>	<u>2,658,982</u>	<u>1,095,542</u>	<u>802,761</u>	<u>1,124,993</u>	<u>7,527,235</u>

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

## BENTON COUNTY

Exhibit 4

## Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -

## Governmental Funds

For the Year Ended September 30, 2021

	Major Funds				Other	Total
	General	Road & Bridge	Bridge No. 37 -	Corona Virus	Governmental	Governmental
	Fund	Maintenance	JW Smith Road	State & Local	Funds	Funds
	Fund	Fund	Fund	Fund		
RECEIPTS						
Property taxes	\$ 2,231,462	361,785			438,236	3,031,483
Road and bridge privilege taxes		123,181				123,181
Licenses, commissions and other receipts	127,807				3,507	131,314
Fines and forfeitures	100,671				12,286	112,957
In-lieu taxes - TVA	3,761,298					3,761,298
Intergovernmental receipts	1,019,197	819,881	1,787,681	802,107	1,469,914	5,898,780
Charges for services	20,980				271,462	292,442
Interest income	8,689	8,420	2,805	654	3,788	24,356
Miscellaneous receipts	135,096	15,805			120,040	270,941
Total Receipts	7,405,200	1,329,072	1,790,486	802,761	2,319,233	13,646,752
DISBURSEMENTS						
General government	3,073,675				91,298	3,164,973
Public safety	1,452,069				95,951	1,548,020
Public works		2,226,829	777,958		1,637,079	4,641,866
Health and welfare	32,508					32,508
Culture and recreation	558,401					558,401
Education	1,521,999					1,521,999
Conservation of natural resources	67,845					67,845
Economic development and assistance	7,000				347,321	354,321
Debt service:						
Principal	1,012,149	199,827			30,192	1,242,168
Interest	130,859	8,377			1,220	140,456
Total Disbursements	7,856,505	2,435,033	777,958	0	2,203,061	13,272,557
Excess (Deficiency) of Receipts over (under) Disbursements	(451,305)	(1,105,961)	1,012,528	802,761	116,172	374,195

## BENTON COUNTY

Exhibit 4

## Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -

## Governmental Funds

For the Year Ended September 30, 2021

	Major Funds				Other	Total
	General	Road & Bridge	Bridge No. 37 -	Corona Virus	Governmental	Governmental
	Fund	Maintenance	JW Smith Road	State & Local	Funds	Funds
		Fund	Fund	Fund		
OTHER CASH SOURCES (USES)						
Proceeds from long-term debt issuance	27,325	159,990				187,315
Sale of county property	11,893	152,237				164,130
Compensation for loss of county property	22,900					22,900
Transfers in		919,337			117,590	1,036,927
Transfers out	(1,036,927)					(1,036,927)
Total Other Cash Sources and Uses	(974,809)	1,231,564	0	0	117,590	374,345
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	(1,426,114)	125,603	1,012,528	802,761	233,762	748,540
Cash Basis Fund Balances - Beginning, as previously reported	3,266,894	2,533,379	83,014	0	891,231	6,774,518
Fund reclassification	4,177					4,177
Cash Basis Fund Balances - Beginning, as restated	3,271,071	2,533,379	83,014	0	891,231	6,778,695
Cash Basis Fund Balances - Ending	\$ 1,844,957	2,658,982	1,095,542	802,761	1,124,993	7,527,235

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

BENTON COUNTY  
Statement of Fiduciary Net Position - Cash Basis  
September 30, 2021

Exhibit 5

	Custodial Funds
ASSETS	
Cash	\$ 22,481
Total Assets	<u>\$ 22,481</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	\$ 22,481
Total Net Position	<u>\$ 22,481</u>

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

BENTON COUNTY  
Statement of Changes in Fiduciary Net Position - Cash Basis  
For the Year Ended September 30, 2021

Exhibit 6

Custodial  
Funds

CASH ADDITIONS

Investment income:

Interest

\$ 95

Licenses and fees collected for State

166,007

Total Additions

166,102

CASH DEDUCTIONS

Payments of licenses and fees to State

167,281

Total Deductions

167,281

Net increase (decrease) in fiduciary net position

(1,179)

Net Position - Beginning

23,660

Net Position - Ending

\$ 22,481

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

## BENTON COUNTY

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## BENTON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2021

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

##### A. Financial Reporting Entity.

Benton County, Mississippi (the County), is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Benton 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.

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

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

##### B. Basis of Presentation.

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

##### Government-wide Financial Statements:

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

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

## BENTON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2021

#### 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, fund balances, receipts and disbursements. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

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

The Government-wide, Governmental Funds and Fiduciary Funds financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The County reports the following major Governmental Funds:

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

Road & Bridge Maintenance Fund - This fund is used to account for monies from specific sources that are restricted for road and bridge maintenance.

Bridge No. 37 – JW Smith Road Fund - This fund is used to account for capital project activity related to State Aid project ERBR-05(2).

Corona Virus State & Local Fund - This fund is used to account for monies received from the American Rescue Plan Act of 2021 (ARPA) that are considered restricted in nature.

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 cash sources that are restricted or committed to disbursement for specified purposes other than debt service or capital projects.

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

#### FIDUCIARY FUND TYPE

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

#### D. Account Classifications.

The account classification used in the financial statements conform to the broad classifications



## BENTON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2021

recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

#### E. Deposits.

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).

#### F. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

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."

Net Position Flow Assumption:

When a disbursement is paid 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 disbursements are paid for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

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

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

*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.

*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

## BENTON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2021

the only fund that reports a positive unassigned fund balance amount. In other governmental funds if disbursements paid for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

#### Fund Balance Flow Assumption:

When a disbursement is paid 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 disbursements are paid 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.

#### G. Property Tax Receipts.

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. All property taxes are recognized as receipts when collected.

#### H. Changes in Accounting Standards.

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

GASB 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

#### (2) Fund Reclassification (Accounting Change).

Effective October 1, 2020, and in accordance with the implementation of GASB Statement No. 84, the Payroll Clearing Fund and the Chancery Clerk Clearing Fund, previously reported as Fiduciary Funds, were reclassified and reported in the General Fund. Therefore, the County has adjusted beginning fund balance/net position for the General Fund and Governmental Activities in the amount of \$4,177.

For the Fiduciary Fund Custodial Activities, the County has treated the beginning of year net position of \$23,660 as having been recognized in the period incurred. The County has adjusted beginning net position for their fiduciary activities from \$0 to \$23,660.

## BENTON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2021

#### (3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$7,549,716 and the bank balance was \$7,710,744. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by *Section 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

#### (4) Interfund Transfers.

The following is a summary of interfund transfers at September 30, 2021:

Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Road & Bridge Maintenance Fund	General Fund	\$ 919,337
Other Governmental Funds	General Fund	<u>117,590</u>
Total		\$ <u>1,036,927</u>

The principal purpose of interfund transfers was to provide funds for operating purposes. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

#### (5) 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, 2021, to January 1, 2022. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

## BENTON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2021

(6) 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 disbursements of resources for allowable purposes. The County may be responsible for any disallowances.

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.

(7) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

The Northeast Mental Health-Mental Retardation Commission operates in a district composed of the Counties of Benton, Chickasaw, Itawamba, Lee, Monroe, Pontotoc and Union. The Benton County Board of Supervisors appoints one of the seven members of the Board of Commissioners. The County contributed \$10,000 for the maintenance and support of the Commission in fiscal year 2021.

The Northeast Mississippi Planning and Development District operates in a district composed of the Counties of Alcorn, Benton, Marshall, Prentiss, Tippah and Tishomingo. The Benton County Board of Supervisors appoints four of the 24 members of the board of directors. The County contributed \$7,000 for the maintenance and support of the district in fiscal year 2021.

Northwest Mississippi Community College operates in a district composed of the Counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The Benton County Board of Supervisors appoints two the twenty-three members of the College Board of Trustees. The County contributed \$137,601 for the maintenance and support of the College in fiscal year 2021.

The Northeast Mississippi Regional Solid Waste Authority provides solid waste services to the Counties of Benton, Prentiss and Tippah, along with the Cities of Ashland, Booneville and Ripley. Currently, Benton County does not receive any direct services from the Authority, but rather contracts with a private firm for the collection of solid waste. The Authority prepared a five-year solid waste plan for the County. Each member of the Authority appoints one member of the six-member Commission. The County did not contribute any funds to the Authority in fiscal year 2021.

The United Community Action Commission, Inc. was created as a nonprofit organization pursuant to federal community action legislation in the mid-1960s. The Commission is governed by a twenty-one member board, seven of whom are appointed by the Benton County Board of Supervisors. Most of the Commission's operating revenue comes from federal sources. The County contributed \$100,000 to the Commission in fiscal year 2021.

## BENTON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2021

#### (8) Defined Benefit Pension Plan.

Plan Description. Benton 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. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by *Mississippi Code Annotated Section 25-11-1 et seq., (1972, as amended)* 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, 2021, 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, 2021 was 17.40% 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, 2021, 2020 and 2019 were \$404,781, \$385,091 and \$344,349, respectively, equal to the required contributions for each year.

## BENTON COUNTY

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## BENTON COUNTY

## OTHER INFORMATION

## BENTON COUNTY

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BENTON COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2021  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Property taxes	\$ 2,125,120	2,231,462	2,231,462	
Licenses, commissions and other receipts	126,638	127,807	127,807	
Fines and forfeitures	77,518	100,671	100,671	
In-lieu taxes - TVA		3,761,298	3,761,298	
Intergovernmental receipts	2,500,786	1,019,197	1,019,197	
Charges for services		20,980	20,980	
Interest income	2,791	8,689	8,689	
Miscellaneous receipts	26,771	135,096	135,096	
Total Receipts	<u>4,859,624</u>	<u>7,405,200</u>	<u>7,405,200</u>	<u>0</u>
<b>DISBURSEMENTS</b>				
Current:				
General government	4,468,040	3,073,675	3,073,675	
Public safety	1,432,952	1,452,069	1,452,069	
Health and welfare	64,434	32,508	32,508	
Culture and recreation	122,702	558,401	558,401	
Education	1,510,900	1,521,999	1,521,999	
Conservation of natural resources	65,000	67,845	67,845	
Economic development and assistance	7,000	7,000	7,000	
Debt service:				
Principal		1,012,149	1,012,149	
Interest		130,859	130,859	
Total Disbursements	<u>7,671,028</u>	<u>7,856,505</u>	<u>7,856,505</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(2,811,404)</u>	<u>(451,305)</u>	<u>(451,305)</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Proceeds from long-term debt issuance		27,325	27,325	
Sale of county property		11,893	11,893	
Compensation for loss of county property		22,900	22,900	
Transfers out		(1,036,927)	(1,036,927)	
Other financing sources	<u>755,255</u>			
Total Other Cash Sources and Uses	<u>755,255</u>	<u>(974,809)</u>	<u>(974,809)</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and Other Cash Uses	<u>(2,056,149)</u>	<u>(1,426,114)</u>	<u>(1,426,114)</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>679,690</u>	<u>3,271,071</u>	<u>3,271,071</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (1,376,459)</u>	<u>1,844,957</u>	<u>1,844,957</u>	<u>0</u>

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

BENTON COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Road & Bridge Maintenance Fund  
 For the Year Ended September 30, 2021  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 414,356	361,785	361,785	
Road and bridge privilege taxes	113,073	123,181	123,181	
Intergovernmental receipts	620,663	819,881	819,881	
Interest income	9,827	8,420	8,420	
Miscellaneous receipts	1,091	15,805	15,805	
Total Receipts	<u>1,159,010</u>	<u>1,329,072</u>	<u>1,329,072</u>	<u>0</u>
DISBURSEMENTS				
Current:				
Public works	2,893,500	2,226,829	2,226,829	
Debt service:				
Principal		199,827	199,827	
Interest		8,377	8,377	
Total Disbursements	<u>2,893,500</u>	<u>2,435,033</u>	<u>2,435,033</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(1,734,490)</u>	<u>(1,105,961)</u>	<u>(1,105,961)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Proceeds from long-term debt issuance		159,990	159,990	
Sale of county property		152,237	152,237	
Transfers in		919,337	919,337	
Other financing sources	1,075,169			
Total Other Cash Sources and Uses	<u>1,075,169</u>	<u>1,231,564</u>	<u>1,231,564</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and Other Cash Uses	<u>(659,321)</u>	<u>125,603</u>	<u>125,603</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>2,209,208</u>	<u>2,533,379</u>	<u>2,533,379</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,549,887</u>	<u>2,658,982</u>	<u>2,658,982</u>	<u>0</u>

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

BENTON COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Corona Virus State & Local Fund  
 For the Year Ended September 30, 2021  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	\$	802,107	802,107	
Interest income		654	654	
Total Receipts	<u>0</u>	<u>802,761</u>	<u>802,761</u>	<u>0</u>
DISBURSEMENTS				
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>0</u>	<u>802,761</u>	<u>802,761</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and Other Cash Uses	0	802,761	802,761	0
Cash Basis Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 0</u>	<u>802,761</u>	<u>802,761</u>	<u>0</u>

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

BENTON COUNTY  
Schedule of Capital Assets  
For the Year Ended September 30, 2021  
UNAUDITED

**Governmental activities:**

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
Land	\$ 263,499				263,499
Construction in progress	121,456	87,666		27,000	236,122
Infrastructure	9,184,968	147,000			9,331,968
Buildings	7,051,204			872,020	7,923,224
Improvements other than buildings	814,070	678,373			1,492,443
Mobile equipment	6,163,569	763,541	450,812	123,700	6,599,998
Furniture and equipment	769,540	7,366		21,102	798,008
Leased property under capital leases	508,675	159,990	148,591	(116,600)	403,474
Total capital assets	\$ <u>24,876,981</u>	<u>1,843,936</u>	<u>599,403</u>	<u>927,222</u>	<u>27,048,736</u>

\*Adjustments are to correct prior year errors in capital asset records and to reclassify paid-off capital leases to mobile equipment.

BENTON COUNTY  
Schedule of Changes in Long-term Debt  
For the Year Ended September 30, 2021  
UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2020	Issued	Principal Payments	Balance Sept. 30, 2021
<b>Governmental Activities:</b>							
A. General Obligation Bonds:							
Certificates of Participation - Series 2018 New Jail	11/1/2018	11/1/2027	3.25%	\$ 4,000,000		1,000,000	3,000,000
B. Capital Leases:							
2021 Mack dump truck - District 1	5/4/2021	2/10/2025	2.30%		159,990	10,035	149,955
2020 Mack dump truck - District 1	3/24/2020	4/24/2024	2.98%	141,617		141,617	
2018 Caterpillar backhoe - District 1	7/16/2020	7/16/2025	2.96%	72,675		14,199	58,476
2018 International dump truck - District 2	8/22/2017	8/22/2021	2.47%	18,942		18,942	
2020 International dump truck - District 3	8/10/2019	11/10/2023	3.78%	60,845		15,034	45,811
C. Other Loans:							
NE Benton Fire Department loan	10/11/2017	11/1/2021	2.00%	9,749		9,749	
E911 equipment loan	3/8/2018	6/1/2023	2.00%	92,405		30,192	62,213
Shady Grove Water project	6/10/2021	7/1/2022	4.00%		27,325	2,400	24,925
Total				\$ 4,396,233	187,315	1,242,168	3,341,380

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

BENTON COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2021  
UNAUDITED

Name	Position	Company	Bond
Chris Graves Shoup	Supervisor District 1	Travelers Insurance	\$100,000
James Griffin	Supervisor District 2	Travelers Insurance	\$100,000
James Lowry	Supervisor District 3	Travelers Insurance	\$100,000
Tommy Fortner	Supervisor District 4	Travelers Insurance	\$100,000
Ricky Wayne Pipkin, Sr.	Supervisor District 5	Travelers Insurance	\$100,000
Marlene McKenzie	Chancery Clerk	Travelers Insurance	\$100,000
Marlene McKenzie	Purchase Clerk	Travelers Insurance	\$100,000
Collin Mills (Blanket Bond)	Receiving Clerk	Travelers Insurance	\$75,000
Clarence Kimbrough (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Alonzo Tucker (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Marc Steele (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Ronnie Briscoe (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Margaret Taylor (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Cindy Wilson (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Pearlie Thompson (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Jerry Estes (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Teleshia Everett (Blanket Bond)	Assistant Receiving Clerk	Travelers Insurance	\$50,000
Cindy Wilson (Blanket Bond)	Inventory Control Clerk	Travelers Insurance	\$75,000
Joshua S. Ward	Constable	Travelers Insurance	\$50,000
Kathy M. Graves	Circuit Clerk	Travelers Insurance	\$100,000
Lakeisha Fuller (Blanket Bond)	Deputy Circuit Clerk	Travelers Insurance	\$100,000
Aaron Goolsby, Jr.	Sheriff	Travelers Insurance	\$100,000
Jackie Stanton (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Scott Poff (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Margaret Taylor (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Charlie Fortner (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Joe Batts (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Robert Fortner (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Charles W. Peters (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Tony K. Poplar (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Jeff King (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
James Williams	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Joshua S. Ward (Blanket Bond)	Sheriff's Deputy (hired under <i>Section 45-5-9, Mississippi Code of 1972 Annotated</i> )	Travelers Insurance	\$50,000
Brody Lee Childers	Justice Court Judge	Travelers Insurance	\$100,000
Gary McBride	Justice Court Judge	Travelers Insurance	\$100,000
Felicia Washington (Blanket Bond)	Justice Court Clerk	Travelers Insurance	\$50,000
Karen Moody (Blanket Bond)	Deputy Justice Court Clerk	Travelers Insurance	\$50,000
Shannon Wilburn	Tax Assessor-Collector	Travelers Insurance	\$100,000
Pearlie Thompson (Blanket Bond)	Deputy Tax Collector	Travelers Insurance	\$50,000
Stanley Poff (Blanket Bond)	Deputy Tax Assessor	Travelers Insurance	\$50,000
Kenneth P. Geno, Jr.	County Engineer	Travelers Insurance	\$50,000

## BENTON COUNTY

### Notes to the Other Information For the Year Ended September 30, 2021

(1) Budgetary Comparison Information.

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector 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 receipt, each general item of disbursement, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary 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.

(2) Long-term Debt Information:

A. 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, 2021, the amount of outstanding debt was equal to 3.60 percent (3.60%) of the latest property assessments.

B. Certificates of Participation - In accordance with *Section 31-8-1 et seq., Mississippi Code of 1972 Annotated*, the County issued Certificates of Participation and transferred the proceeds to the Rise Foundation (Corporation). The funds are to be used to construct a new Benton County jail facility. At completion, the Corporation will enter into an eight-year lease with the County. The County is obligated to pay the Corporation rent equal to the principal and interest on the debt. At the completion of lease, the County will assume ownership of the facility. The obligation is not a general obligation and does not constitute a pledge of full faith and credit of the County.

C. Subsequent Events.

Subsequent to September 30, 2021, the County issued the following debt obligation.

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
5/31/2023	2.50%	\$168,000	Other loan	Ad valorem taxes

## BENTON COUNTY

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## BENTON COUNTY

## SPECIAL REPORTS

## BENTON COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
AUDITOR

**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  
Benton County, Mississippi

We have audited, 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, the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 21, 2023.

**Internal Control Over Financial Reporting**

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

**Compliance and Other Matters**

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

**OFFICE BOX 956 • JACKSON, MISSISSIPPI 39205 • (601) 576-2800 • FAX (601) 576-2650**  
**POST [www.osa.state.ms.us](http://www.osa.state.ms.us)**

We noted certain matters that we reported to the management of Benton County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated December 21, 2023, included within this document.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

JOE E. MCKNIGHT, CPA  
Director, County Audit Section

December 21, 2023



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
AUDITOR

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

Members of the Board of Supervisors  
Benton County, Mississippi

We have examined Benton County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with the bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2021. The Board of Supervisors of Benton County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

Because of inherent limitations in any central purchasing system and inventory 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.

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

**Board of Supervisors and Inventory Control Clerk.**

1. Inventory Control Clerk should be bonded as required by state statutes.

**Repeat Finding** Yes

**Criteria** *Section 31-7-124, Mississippi Code of 1972 Annotated*, requires each Inventory Control Clerk to execute a bond in a penalty not less than \$75,000 to be payable, conditioned and approved as provided by law. Also, *Section 25-1-15(2), Mississippi Code of 1972 Annotated*, requires a new bond to be secured every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

<b>Condition</b>	As reported in the prior year's compliance report, the Inventory Control Clerk was bonded for an indefinite time period under a blanket bond.
<b>Cause</b>	The County did not adhere to state laws.
<b>Effect</b>	Failure to comply with state laws would limit the amount available for recovery if a loss occurred over multiple terms.
<b>Recommendation</b>	The County should cancel the blanket bond and obtain an individual bond for the Inventory Control Clerk. Additionally, the County should ensure that the Inventory Control Clerk is bonded in accordance with state laws.
<b>Views of Responsible Official(s)</b>	We will comply.

**Board of Supervisors, Receiving Clerk and Assistant Receiving Clerks.**

2. The Receiving Clerk and Assistant Receiving Clerks should be bonded as required by state statutes.

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 31-7-124, Mississippi Code of 1972 Annotated</i> , requires the Receiving Clerk to execute a bond in a penalty not less than \$75,000 and Assistant Receiving Clerks to execute a bond not less than \$50,000, to be payable, conditioned and approved as provided by law. Also, <i>Section 25-1-15(2), Mississippi Code of 1972 Annotated</i> , requires a new bond to be secured every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.
<b>Condition</b>	As reported in the prior year's compliance report, the Receiving Clerk and Assistant Receiving Clerks were bonded for an indefinite time period under a blanket bond.
<b>Cause</b>	The County did not comply with state laws.
<b>Effect</b>	Failure to comply with state laws would limit the amount available for recovery if a loss occurred over multiple terms.
<b>Recommendation</b>	The County should cancel the blanket bond and obtain individual bonds for the Receiving Clerk in the amount of \$75,000 and each Assistant Receiving Clerk in the amount of \$50,000. Additionally, the County should ensure that the Receiving Clerk and Assistant Receiving Clerks are bonded in accordance with state laws.
<b>Views of Responsible Official(s)</b>	We will comply.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Benton County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2021.

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

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

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

JOE E. MCKNIGHT, CPA  
Director, County Audit Section

December 21, 2023

BENTON COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder  
For the Year Ended September 30, 2021

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



BENTON COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2021

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
10/5/2020	Computer board for phone system	\$ 7,356	Fant's Electronics	Phone system crashed and needed to be replaced

BENTON COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2021

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



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

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

Members of the Board of Supervisors  
Benton County, Mississippi

In planning and performing our audit of the financial statements of Benton County, Mississippi (the County) for the year ended September 30, 2021, we considered Benton 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 Benton 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 December 21, 2023, on the financial statements of Benton County, Mississippi.

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

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

**Board of Supervisors.**

1. Additional privilege tax proceeds should be distributed in the same manner as ad valorem tax proceeds.

**Repeat Finding** No

**Criteria** *Section 27-19-11, Mississippi Code of 1972 Annotated*, states that counties shall distribute the additional privilege tax proceeds as they would if these collections were ad valorem taxes.

**Condition** During fiscal year 2021, the County did not settle the appropriate amount of additional privilege taxes to the County School District.

**Cause** The County did not follow procedures to comply with state law.

**Effect** Failure to settle the additional privilege taxes to the County School District is a violation of state law and could result in the misappropriation of public funds.

**Recommendation** The County should comply with state law to ensure all additional privilege taxes are settled to the County School District.

**Views of Responsible Official(s)** We will comply.

**2.** Interfund transfers should be approved in the board minutes.

**Repeat Finding** No

**Criteria** *Section 19-3-27, Mississippi Code of 1972 Annotated*, requires a complete and correct record be maintained for all proceedings of the Board of Supervisors.

**Condition** Interfund transfers were made without board orders spread on the minutes.

**Cause** The Board of Supervisors did not comply with state law.

**Effect** The failure to obtain board approval for interfund transfers could result in erroneous amounts reported and increases the possibility of the loss or misuse of public funds.

**Recommendation** The Board of Supervisors should spread complete orders on the minutes relative to interfund transfers.

**Views of Responsible Official(s)** We will comply.

**Board of Supervisors and Deputy Circuit Clerk.**

**3.** Deputy Circuit Clerk should be bonded as required by state statutes.

**Repeat Finding** Yes

**Criteria** *Section 9-7-123(2), Mississippi Code of Annotated*, requires each deputy clerk of the Circuit Court to execute a bond for not less than \$50,000 nor more than \$100,000 to be payable, conditioned and approved as provided by law. Also, *Section 25-1-15(2), Mississippi Code of 1972 Annotated*, requires a new bond to be secured every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

**Condition** As reported in the prior year's compliance report, the Deputy Circuit Clerk was bonded for an indefinite time period under a blanket bond.

**Cause** The County did not comply with state laws.

**Effect** Failure to comply with state laws would limit the amount available for recovery if a loss occurred over multiple terms.

**Recommendation** The County should cancel the blanket bond and obtain an individual bond for the Deputy Circuit Clerk. Additionally, the County should ensure that the Deputy Circuit Clerk is bonded in accordance with state laws.

**Views of Responsible Official(s)** We will comply.

**Board of Supervisors, Justice Court Clerk and Deputy Justice Court Clerk.**

4. Justice Court Clerk and Deputy Justice Court Clerk should be bonded as required by state statutes.

**Repeat Finding** Yes

**Criteria** *Section 9-11-29(2), Mississippi Code of 1972 Annotated*, requires the Justice Court Clerk and deputies to execute a bond for \$50,000 to be payable, conditioned and approved as provided by law. Also, *Section 25-1-15(2), Mississippi Code of 1972 Annotated*, requires a new bond to be secured every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

**Condition** As reported in the prior year's compliance report, the Justice Court Clerk and Deputy Justice Court Clerk were bonded for an indefinite time period under a blanket bond.

**Cause** The County did not comply with state laws.

**Effect** Failure to comply with state laws would limit the amount available for recovery if a loss occurred over multiple terms.

**Recommendation** The County should cancel the blanket bond and obtain an individual bond for the Justice Court Clerk and Deputy Justice Court Clerk. Additionally, the County should ensure that the Justice Court Clerk and Deputy Justice Court Clerk are bonded in accordance with state laws.

**Views of Responsible Official(s)** We will comply.

**Board of Supervisors, Deputy Tax Assessors and Deputy Tax Collectors.**

5. Deputy Tax Assessors and Deputy Tax Collectors should be bonded as required by state statutes.

**Repeat Finding** Yes

**Criteria** *Section 27-1-3, Mississippi Code of 1972 Annotated*, states that each Deputy Tax Assessor shall give bond in an amount not less than ten thousand dollars (\$10,000) for the faithful discharge of his duties. In addition, *Section 27-1-9a, Mississippi Code of 1972 Annotated*, states that each Deputy Tax Collector shall give bond to be payable, conditioned and approved as provided by law in an amount not less than fifty thousand dollars (\$50,000) for the faithful discharge of his duties. Also, *Section 25-1-15(2), Mississippi Code of 1972 Annotated*, requires a new bond to be secured every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

**Condition** As reported in the prior year's compliance report, the Deputy Tax Assessors and Deputy Tax Collectors were bonded for an indefinite time period under a blanket bond.

**Cause** The County did not comply with state laws.

**Effect** Failure to comply with state laws would limit the amount available for recovery if a loss occurred over multiple terms.

**Recommendation** The County should cancel the blanket bond and obtain individual bonds for the Deputy Tax Assessor and Deputy Tax Collectors. Additionally, the County should ensure that the Deputy Tax Assessors and Deputy Tax Collectors are bonded in accordance with state laws.

**Views of Responsible  
Official(s)**

We will comply.

**Board of Supervisors and Sheriff.**

6. The Sheriff's Deputies should be bonded as required by state statutes.

**Repeat Finding** Yes

**Criteria** *Section 45-5-9, Mississippi Code of 1972 Annotated*, requires the Sheriff Deputies to execute a bond in a penalty not less than fifty thousand dollars (\$50,000) to be payable, conditioned, and approved as provided by law. Also, *Section 25-1-15(2), Mississippi Code of 1972 Annotated*, requires a new bond to be secured every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

**Condition** As reported in the prior year's compliance report, several Sheriff's Deputies hired under *Section 45-5-9, Mississippi Code of 1972 Annotated*, were issued bonds for an indefinite time period under a blanket bond.

**Cause** The County did not comply with state laws.

**Effect** Failure to comply with state laws would limit the amount available for recovery if a loss occurred over multiple terms.

**Recommendation** The County should cancel the blanket bond and obtain individual bonds for the Sheriff's Deputies hired under *Section 45-5-9, Mississippi Code of 1972 Annotated*. Additionally, the County should ensure that the Sheriff's Deputies are bonded in accordance with state laws.

**Views of Responsible  
Official(s)**

We will comply.

**Chancery Clerk.**

7. Public Officials should strengthen controls to ensure proper segregation of duties in the Chancery Clerk's office.

**Repeat Finding** Yes

**Criteria** An effective system of internal controls should include an adequate segregation of duties.

**Condition** As reported in the prior year's compliance report, it was noted that there were inadequate segregation of duties in the Chancery Clerk's office. The Bookkeeper receipts all monies, makes all deposits, enters receipts into the system, reconciles the bank statements, and makes all settlements.

**Cause** The Chancery Clerk lacks the proper segregation of duties necessary to maintain effective internal controls.

**Effect** Failure to segregate duties could result in fraud or the loss of public funds.

**Recommendation** We recommend that the Chancery Clerk take the necessary steps to ensure that adequate segregation of duties regarding the collection and disbursement functions is implemented.

**Views of Responsible  
Official(s)**

I will comply.

**Circuit Clerk.**

8. Public Officials should strengthen controls to ensure proper segregation of duties in the Circuit Clerk's office.

**Repeat Finding** Yes

**Criteria** An effective system of internal controls should include adequate segregation of duties.

**Condition** As reported in the prior year's compliance report, it was noted that there were inadequate segregation of duties in the Circuit Clerk's office. The Circuit Clerk receipts all monies, makes all deposits, calculates the monthly settlements, posts to the cash journal, reconciles the bank statements, and makes all disbursements.

**Cause** The Circuit Clerk lacks the proper segregation necessary to maintain effective internal controls.

**Effect** Failure to segregate duties could result in fraud or the loss of public funds.

**Recommendation** We recommend that the Circuit Clerk take the necessary steps to ensure that adequate segregation of duties regarding the collection and disbursement functions is implemented.

**View of Responsible Official(s)** I will comply.

**Justice Court Clerk.**

9. Public Officials should strengthen controls to ensure proper segregation of duties in the Justice Court Clerk's office.

**Repeat Finding** Yes

**Criteria** An effective system of internal controls should include an adequate segregation of duties.

**Condition** As reported in the prior year's compliance report, it was noted that there were inadequate segregation of duties in the Justice Court Clerk's office. The Clerk has access to all collections, prepares and makes all bank deposits, prepares the daily check-up sheets, reconciles the bank statements, posts to the cash journal, makes monthly settlements, and makes all disbursements.

**Cause** The Justice Court Clerk lacks the proper segregation of duties to maintain effective internal controls.

**Effect** Failure to segregate duties could result in fraud or the loss of public funds.

**Recommendation** We recommend that the Justice Court Clerk take the necessary steps to ensure that adequate segregation of duties regarding the collection and disbursement functions is implemented.

**Views of Responsible Official(s)** I do understand. It's just my deputy and myself and we do count behind each other. When one of us are out, we get another clerk from another office to count behind us.

**Sheriff.**

**10.** Public Officials should ensure compliance with state law over monthly settlements.

**Repeat Finding** Yes

**Criteria** *Section 19-25-13, Mississippi Code of 1972 Annotated*, states, "All fees and charges for services heretofore collected by the sheriffs shall be collected by the sheriff and paid monthly into the general fund of the concerned county."

**Condition** As reported in the prior year's compliance report, auditors noted that the Sheriff failed to settle all fees and charges. Monthly collections for September 2020 through February 2021 were not settled until May 2021, and monthly collections from March 2021 through August 2021 were not settled until October 2021.

**Cause** The Sheriff did not comply with state law.

**Effect** Failure to settle monies to the proper authorities could result in the loss or misappropriation of public funds.

**Recommendation** We recommend the Sheriff settle all fees and charges collected to the proper party and ensure that all settlements are made on a timely basis in accordance with state law.

**Views of Responsible Official(s)** We will work to get these issues correct.

**11.** Public Officials should ensure compliance with state law over timely deposits.

**Repeat Finding** Yes

**Criteria** *Section 25-1-72, Mississippi Code of 1972 Annotated*, states, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."

**Condition** As reported in the prior year's compliance report, auditors noted that monies receipted in the Sheriff's Office were not deposited in a timely manner. Of the six (6) receipts tested, four (4) were not deposited until two (2) to twenty (20) business days after the monies were receipted in the Sheriff's Office.

**Cause** The Sheriff did not comply with state law.

**Effect** Failure to make timely bank deposits could result in the loss or misappropriation of public funds and noncompliance with *Mississippi Code Section 25-1-72*.

**Recommendation** We recommend the Sheriff deposit monies the same day or the next business day after the monies are receipted.

**Views of Responsible Official(s)** We will work to get these issues corrected.

**12.** Public Officials should strengthen controls to ensure proper segregation of duties in the Sheriff's Office.

**Repeat Finding** Yes

**Criteria** An effective system of internal controls should include an adequate segregation of duties.



<b>Condition</b>	As reported in the prior year's compliance report, auditors noted that there were inadequate segregation of duties in the Sheriff's Office. The bookkeeper receipts all monies collected, prepares and makes all deposits, posts receipts to the cash journal, prepares the monthly settlement reports, and makes all disbursements.
<b>Cause</b>	The Sheriff lacks the necessary controls over the collecting, recording and disbursing of cash.
<b>Effect</b>	Failure to segregate duties could result in fraud or the loss of public funds.
<b>Recommendation</b>	We recommend the Sheriff take the necessary steps to ensure that adequate segregation of duties regarding the collection and disbursement functions is implemented.
<b>Views of Responsible Official(s)</b>	We will work on the issues to get them corrected.

#### **Tax Assessor – Collector.**

<b>13.</b>	<u>Public Officials should strengthen controls to ensure proper segregation of duties in the Tax Assessor-Collector's Office.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	An effective system of internal controls should include an adequate segregation of duties.
<b>Condition</b>	As reported in the prior year's compliance report, auditors noted that there were inadequate segregation of duties in the Tax Assessor-Collector's Office. The Tax Assessor-Collector performs all bookkeeping tasks, such as collecting taxes, making deposits, posting deposits, reconciling the monthly reports, and preparing monthly settlements.
<b>Cause</b>	The Tax Assessor-Collector lacks the necessary controls over cash collections and disbursements.
<b>Effect</b>	Failure to segregate duties adequately could result in fraud or the loss of public funds.
<b>Recommendation</b>	We recommend that the Tax Assessor-Collector take the necessary steps to ensure that adequate segregation of duties regarding the collection and disbursements functions is implemented.
<b>Views of Responsible Official(s)</b>	Without the funds to hire another employee, it will be hard to comply, but I will strive to find a solution.

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

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity 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.

JOE E. MCKNIGHT, CPA  
Director, County Audit Section

December 21, 2023

## BENTON COUNTY

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## BENTON COUNTY

### SCHEDULE OF FINDINGS AND RESPONSES

## BENTON COUNTY

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BENTON COUNTY

Schedule of Findings and Responses  
For the Year Ended September 30, 2021

Section 1: Summary of Auditor's Results

***Financial Statements:***

- |   |               |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: | Unmodified    |
| 2. Internal control over financial reporting:                   |               |
| a. Material weakness identified?                                | No            |
| b. Significant deficiency identified?                           | None Reported |
| 3. Noncompliance material to the financial statements noted?    | No            |

Section 2: Financial Statement Findings

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