

BENTON COUNTY, MISSISSIPPI

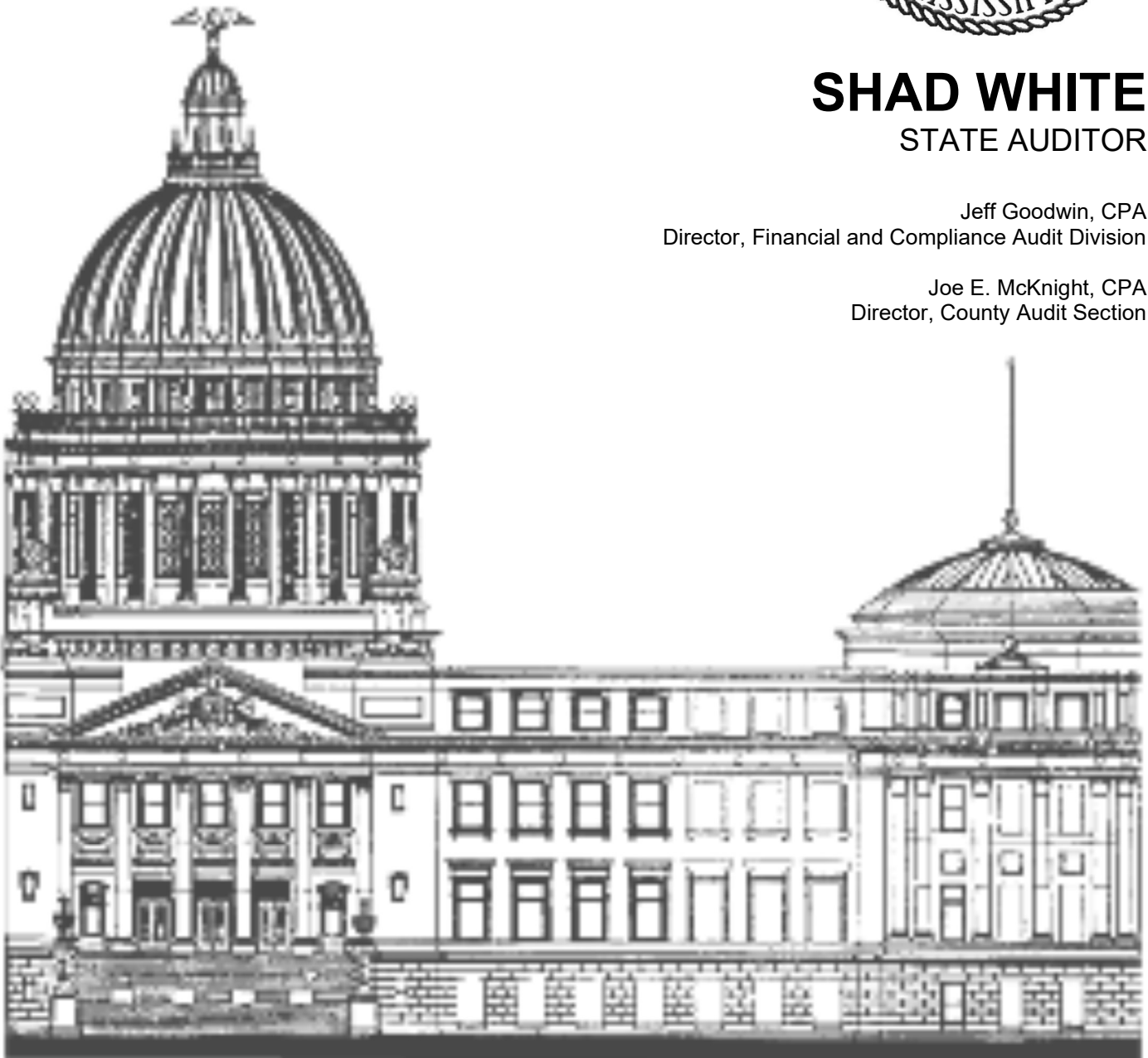
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2022



SHAD WHITE
STATE AUDITOR

Jeff Goodwin, CPA
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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

Shad White
AUDITOR

August 19, 2024

Members of the Board of Supervisors
Benton County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2022 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 Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the Benton County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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 for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 1, and for 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Benton County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. Such information has 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 basic 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises 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 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2024 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

August 19, 2024

BENTON COUNTY

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BENTON COUNTY

FINANCIAL STATEMENTS

BENTON COUNTY
Statement of Net Position - Cash Basis
September 30, 2022

Exhibit 1

	<u>Primary Government</u>
	<u>Governmental</u>
	<u>Activities</u>
ASSETS	
Cash	\$ 7,094,516
Total Assets	<u>7,094,516</u>
NET POSITION	
Restricted:	
Expendable:	
General government	105,035
Public safety	650,309
Public works	3,944,629
Culture and recreation	61,073
Unrestricted	<u>2,333,470</u>
Total Net Position	<u>\$ 7,094,516</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, 2022

Exhibit 2

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 3,159,048	74,274	8,906		(3,075,868)
Public safety	1,912,285	290,839	32,514		(1,588,932)
Public works	4,675,926	197,970	545,291	2,755,666	(1,176,999)
Health and welfare	38,989		11,922		(27,067)
Culture and recreation	333,667		82,079		(251,588)
Education	1,504,656				(1,504,656)
Conservation of natural resources	65,762				(65,762)
Economic development and assistance	218,383		193,619		(24,764)
Debt service:					
Principal	495,621				(495,621)
Interest	104,840				(104,840)
Total Governmental Activities	\$ 12,509,177	563,083	874,331	2,755,666	(8,316,097)
General receipts:					
Property taxes				\$	3,186,349
Road & bridge privilege taxes					120,682
In lieu taxes - TVA					3,761,298
Grants and contributions not restricted to specific programs					327,927
Unrestricted interest income					28,478
Miscellaneous					353,083
Sale of county property					59,280
Compensation for loss of county property					46,281
Total General Receipts and Other Cash Sources					7,883,378
Changes in Net Position					(432,719)
Net Position - Beginning					7,527,235
Net Position - Ending				\$	7,094,516

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

BENTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
September 30, 2022

Exhibit 3

	Major Funds			Other	Total
	General	Road & Bridge	Corona Virus	Governmental	Governmental
	Fund	Maintenance	State & Local	Funds	Funds
		Fund	Fund		
ASSETS					
Cash	\$ 2,333,470	2,691,786	733,219	1,336,041	7,094,516
Total Assets	<u>\$ 2,333,470</u>	<u>2,691,786</u>	<u>733,219</u>	<u>1,336,041</u>	<u>7,094,516</u>
FUND BALANCES					
Restricted for:					
General government	\$			105,035	105,035
Public safety				650,309	650,309
Public works		2,691,786	733,219	519,624	3,944,629
Culture and recreation				61,073	61,073
Committed to:					
Economic development and assistance	911,662				911,662
Unassigned	1,421,808				1,421,808
Total Fund Balances	<u>\$ 2,333,470</u>	<u>2,691,786</u>	<u>733,219</u>	<u>1,336,041</u>	<u>7,094,516</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, 2022

	Major Funds			Other	Total
	General	Road & Bridge	Corona Virus	Governmental	Governmental
	Fund	Maintenance	State & Local	Funds	Funds
	Fund	Fund	Fund		
RECEIPTS					
Property taxes	\$ 2,541,517	358,143		286,689	3,186,349
Road and bridge privilege taxes		120,682			120,682
Licenses, commissions and other receipts	154,156			2,807	156,963
Fines and forfeitures	73,747			8,222	81,969
In-lieu taxes - TVA	3,761,298				3,761,298
Intergovernmental receipts	815,596	1,463,864	802,107	876,357	3,957,924
Charges for services	48,450			275,701	324,151
Interest income	8,808	11,664	2,767	5,239	28,478
Miscellaneous receipts	218,252	15,877		118,954	353,083
Total Receipts	7,621,824	1,970,230	804,874	1,573,969	11,970,897
DISBURSEMENTS					
General government	3,040,149			118,899	3,159,048
Public safety	1,718,229			194,056	1,912,285
Public works		2,603,370		2,072,556	4,675,926
Health and welfare	38,989			0	38,989
Culture and recreation	333,667			0	333,667
Education	1,478,855			25,801	1,504,656
Conservation of natural resources	65,762			0	65,762
Economic development and assistance	7,000			211,383	218,383
Debt service:					
Principal	404,400	61,029		30,192	495,621
Interest	97,500	6,120		1,220	104,840
Total Disbursements	7,184,551	2,670,519	0	2,654,107	12,509,177
Excess (Deficiency) of Receipts over (under) Disbursements	437,273	(700,289)	804,874	(1,080,138)	(538,280)
OTHER CASH SOURCES (USES)					
Sale of county property		4,280		55,000	59,280
Compensation for loss of county property				46,281	46,281
Transfers in	874,416	728,813		94,363	1,697,592
Transfers out	(823,176)		(874,416)		(1,697,592)
Total Other Cash Sources and Uses	51,240	733,093	(874,416)	195,644	105,561
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	488,513	32,804	(69,542)	(884,494)	(432,719)
Cash Basis Fund Balances - Beginning	1,844,957	2,658,982	802,761	2,220,535	7,527,235
Cash Basis Fund Balances - Ending	\$ 2,333,470	2,691,786	733,219	1,336,041	7,094,516

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

BENTON COUNTY
Statement of Fiduciary Net Position - Cash Basis
September 30, 2022

Exhibit 5

	Custodial Funds
ASSETS	
Cash	\$ 16,889
Total Assets	\$ 16,889
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	\$ 16,889
Total Net Position	\$ 16,889

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, 2022

Exhibit 6

	<u>Custodial Funds</u>
CASH ADDITIONS	
Investment income:	\$
Interest	95
Licenses and fees collected for State	<u>112,047</u>
Total Additions	<u>112,142</u>
CASH DEDUCTIONS	
Payments of licenses and fees to State	<u>117,734</u>
Total Deductions	<u>117,734</u>
Net increase (decrease) in fiduciary net position	(5,592)
Net Position - Beginning	<u>22,481</u>
Net Position - Ending	\$ <u>16,889</u>

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, 2022

(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, 2022

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.

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

BENTON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

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 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

BENTON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

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.

GASB 87, *Leases*, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It established a single model for lease accounting based on the foundations principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. These financial statements do not reflect leases in accordance with GASB 87 as these financial statements were prepared using the cash basis of accounting.

(2) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$7,111,405, and the bank balance was \$7,396,906. 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.

BENTON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

(3) Interfund Transfers.

The following is a summary of interfund transfers at September 30, 2022:

Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Corona Virus State & Local Fund	\$ 874,416
Road & Bridge Maintenance Fund	General Fund	728,813
Other Governmental Funds	General Fund	<u>94,363</u>
Total		\$ <u>1,697,592</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.

(4) 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, 2022, to January 1, 2023. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(5) 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.

(6) 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 2022.

BENTON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

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 2022.

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 \$135,707 for the maintenance and support of the College in fiscal year 2022.

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 2022.

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 \$50,000 to the Commission in fiscal year 2022.

(7) 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, 2022, 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, 2022 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, 2022, 2021 and 2020 were \$417,494, \$404,781 and \$385,091, respectively, equal to the required contributions for each year.

These financial statements do not reflect pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources in accordance with GASB 67, 68 and 71 as these financial statements were prepared using the cash basis of accounting.

BENTON COUNTY

SUPPLEMENTARY INFORMATION

BENTON COUNTY

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BENTON COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service/ Passed-through the Mississippi State Treasurer's Office Forest service schools and roads cluster:			
Schools and roads - grants to states	10.665	N/A	\$ 193,619
Total Forest service schools and roads cluster			193,619
Total U.S. Department of Agriculture			193,619
U.S. Department of Housing and Urban Development Passed-through the Mississippi Development Authority Community development block grants / state's program and non-entitlement grants in Hawaii	14.228	1135-19-005-PF-01	141,748
Total U.S. Department of Housing and Urban Development			141,748
U.S. Department of the Treasury Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	874,416
Total U.S. Department of the Treasury			874,416
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency Emergency management performance grants	97.042	EMA-2021-EP-APP-00016	4,992
Total U.S. Department of Homeland Security			4,992
Total Expenditures of Federal Awards			\$ 1,214,775

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Benton County under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Benton County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Benton County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Benton County has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D - ALN 10.665 - Schools and Roads - Grants to States

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$96,810 to subrecipients during the year ended September 30, 2022.

* Denotes major federal award program

BENTON COUNTY

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BENTON COUNTY

OTHER INFORMATION

BENTON COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2022
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 2,464,700	2,541,517	2,541,517	
Licenses, commissions and other receipts	132,919	154,156	154,156	
Fines and forfeitures	88,394	73,747	73,747	
In-lieu taxes - TVA		3,761,298	3,761,298	
Intergovernmental receipts	2,538,215	815,596	815,596	
Charges for services	640	48,450	48,450	
Interest income	6,861	8,808	8,808	
Miscellaneous receipts	15,949	218,252	218,252	
Total Receipts	<u>5,247,678</u>	<u>7,621,824</u>	<u>7,621,824</u>	<u>0</u>
DISBURSEMENTS				
Current:				
General government	3,664,653	3,040,149	3,040,149	
Public safety	1,417,580	1,718,229	1,718,229	
Health and welfare	38,984	38,989	38,989	
Culture and recreation	120,202	333,667	333,667	
Education	1,503,600	1,478,855	1,478,855	
Conservation of natural resources	73,820	65,762	65,762	
Economic development and assistance	7,000	7,000	7,000	
Debt service:				
Principal		404,400	404,400	
Interest		97,500	97,500	
Total Disbursements	<u>6,825,839</u>	<u>7,184,551</u>	<u>7,184,551</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(1,578,161)</u>	<u>437,273</u>	<u>437,273</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Transfers in		874,416	874,416	
Transfers out		(823,176)	(823,176)	
Other financing sources	686,705			
Total Other Cash Sources and Uses	<u>686,705</u>	<u>51,240</u>	<u>51,240</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>(891,456)</u>	<u>488,513</u>	<u>488,513</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>1,979,222</u>	<u>1,844,957</u>	<u>1,844,957</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,087,766</u>	<u>2,333,470</u>	<u>2,333,470</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, 2022
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 370,986	358,143	358,143	
Road and bridge privilege taxes	126,590	120,682	120,682	
Intergovernmental receipts	485,605	1,463,864	1,463,864	
Interest income	8,655	11,664	11,664	
Miscellaneous receipts	421	15,877	15,877	
Total Receipts	<u>992,257</u>	<u>1,970,230</u>	<u>1,970,230</u>	<u>0</u>
DISBURSEMENTS				
Current:				
Public works	2,893,500	2,603,370	2,603,370	
Debt service:				
Principal		61,029	61,029	
Interest		6,120	6,120	
Total Disbursements	<u>2,893,500</u>	<u>2,670,519</u>	<u>2,670,519</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(1,901,243)</u>	<u>(700,289)</u>	<u>(700,289)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Sale of county property		4,280	4,280	
Transfers in		728,813	728,813	
Other financing sources	1,081,901			
Total Other Cash Sources and Uses	<u>1,081,901</u>	<u>733,093</u>	<u>733,093</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>(819,342)</u>	<u>32,804</u>	<u>32,804</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>2,274,543</u>	<u>2,658,982</u>	<u>2,658,982</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,455,201</u>	<u>2,691,786</u>	<u>2,691,786</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, 2022
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	\$	802,107	802,107	
Interest income		2,767	2,767	
Total Receipts	<u>0</u>	<u>804,874</u>	<u>804,874</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>804,874</u>	<u>804,874</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Transfers out		(874,416)	(874,416)	
Total Other Cash Sources and Uses	<u>0</u>	<u>(874,416)</u>	<u>(874,416)</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses		(69,542)	(69,542)	0
Cash Basis Fund Balances - Beginning		<u>802,761</u>	<u>802,761</u>	<u>0</u>
Cash Basis Fund Balances - Ending	\$ <u>0</u>	<u>733,219</u>	<u>733,219</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, 2022
UNAUDITED

Governmental activities:

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments*	Balance Sept. 30, 2022
Land	\$ 263,499			27,000	290,499
Construction in progress	236,122	255,466		(27,000)	464,588
Infrastructure	9,331,968	379,076		1,111,005	10,822,049
Buildings	7,923,224	386,688		(872,020)	7,437,892
Improvements other than buildings	1,492,443	134,749			1,627,192
Mobile equipment	6,599,998	328,687	422,090	403,474	6,910,069
Furniture and equipment	798,008	31,848	7,787		822,069
Leased property under capital leases	403,474			(403,474)	0
Total capital assets	\$ 27,048,736	1,516,514	429,877	238,985	28,374,358

These financial statements do not reflect leases in accordance with GASB 87 as these financial statements were prepared using the cash basis of accounting.

*Adjustments are to reclassify capital leases to mobile equipment due to the implementation of GASB 87, and to correct prior year errors in capital assets.

BENTON COUNTY
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2022
UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2022:

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2021	Principal Payments	Balance Sept. 30, 2022
Governmental Activities:						
A. General Obligation Bonds:						
Certificates of Participation - Series 2018 New Jail	11/1/2018	11/1/2027	3.25%	\$ 3,000,000	390,000	2,610,000
B. Financed Purchases:						
2021 Mack dump truck - District 1	5/4/2021	2/10/2025	2.30%	149,955	30,795	119,160
2018 Caterpillar backhoe - District 1	7/16/2020	7/16/2025	2.96%	58,476	14,622	43,854
2020 International dump truck - District 3	8/10/2019	11/10/2023	3.78%	45,811	15,612	30,199
C. Other Loans:						
E911 equipment loan	3/8/2018	6/1/2023	2.00%	62,213	30,192	32,021
Shady Grove water project	6/10/2021	7/1/2022	4.00%	24,925	14,400	10,525
Total				<u>\$ 3,341,380</u>	<u>495,621</u>	<u>2,845,759</u>

These financial statements do not reflect leases in accordance with GASB 87 as these financial statements were prepared using the cash basis of accounting.

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, 2022
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
Teleshia Smith (Blanket Bond)	Assistant Purchase Clerk	Travelers Insurance	\$50,000
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 Smith (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
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
Collin Mills (Blanket Bond)	Deputy Tax Assessor	Travelers Insurance	\$50,000
Stanley Poff (Blanket Bond)	Deputy Tax Assessor	Travelers Insurance	\$50,000
Pearlie Thompson (Blanket Bond)	Deputy Tax Collector	Travelers Insurance	\$50,000
Collin Mills (Blanket Bond)	Deputy Tax Collector	Travelers Insurance	\$50,000
Stanley Poff (Blanket Bond)	Deputy Tax Collector	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, 2022
UNAUDITED

(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, 2022, the amount of outstanding debt was equal to 3.08 percent (3.08%) 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 agreement 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 the agreement, 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, 2022, 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>
05/31/2023	2.50%	\$ 168,000	Other loan	Ad valorem taxes
01/31/2024	6.35%	90,925	Purchase	Ad valorem taxes
07/31/2024	6.72%	75,415	Purchase	Ad valorem taxes

BENTON COUNTY

Notes to the Other Information
For the Year Ended September 30, 2022
UNAUDITED

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 (*Government Auditing Standards*), 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 19, 2024.

Report on 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 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 or significant deficiencies may exist that have not been identified.

Report on 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*.

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 August 19, 2024, 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

August 19, 2024



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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Members of the Board of Supervisors
Benton County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Benton County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Benton County, Mississippi's major federal program for the year ended September 30, 2022. Benton County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Benton County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Benton County, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Benton County, Mississippi's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Benton County, Mississippi's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Benton County, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Benton County, Mississippi's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Benton County, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Benton County, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Benton County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over

compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. 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.

A handwritten signature in black ink, appearing to read "Joe E. McKnight".

JOE E. MCKNIGHT CPA
Director, County Audit Section

August 19, 2024

BENTON COUNTY

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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, 2022. 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 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.

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.

Condition	As reported in the prior two years' audit reports, the Inventory Control Clerk was bonded for an indefinite time period under a blanket bond.
Cause	The County did not adhere to 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 Inventory Control Clerk. Additionally, the County should ensure that the Inventory Control Clerk is bonded in accordance with state laws.
Views of Responsible Official(s)	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.

Repeat Finding	Yes
Criteria	<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.
Condition	As reported in the prior two years' audit reports, the Receiving Clerk and Assistant Receiving Clerks 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 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.
Views of Responsible Official(s)	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, 2022.

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.

A handwritten signature in black ink, appearing to read "Joe E. McKnight".

JOE E. MCKNIGHT, CPA
Director, County Audit Section

August 19, 2024

BENTON COUNTY

Schedule 1Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2022

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
10/29/2021	20-ton tag-along trailer	\$ 31,950	Trailboss Trailers, Inc.	\$ 26,495	The lowest bid's location was further away and the trailer was smaller in size.
6/30/2022	Roller	24,000	Coker Equipment	23,000	The lowest bid was for an older piece of equipment that was not in as good of condition.

BENTON COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2022

Schedule 2

Our tests did not identify any emergency purchases.

BENTON COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2022

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 cash basis financial statements of Benton County, Mississippi (the County) for the year ended September 30, 2022, 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 August 19, 2024, 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 Yes

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 As reported in the prior year's audit report, during the fiscal year 2022, the County did not settle the appropriate amount of 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.

Board of Supervisors and Deputy Circuit Clerks.

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

Repeat Finding	Yes
Criteria	<i>Section 9-7-123(2), Mississippi Code of 1972 Annotated</i> , 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, <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.
Condition	As reported in the prior two years' audit reports, 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.

3.	<u>Justice Court Clerk and Deputy Justice Court Clerk should be bonded as required by state statutes.</u>
Repeat Finding	Yes
Criteria	<i>Section 9-11-29(2), Mississippi Code of 1972 Annotated</i> , requires the Justice Court Clerk and deputies to execute bond for \$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.
Condition	As reported in the prior two years' audit reports, 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.

4. 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 two years' audit reports, 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 bonds and obtain individual bonds for the Deputy Tax Assessors 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.

Chancery Clerk.

5. 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 two years' audit reports, 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)	We will comply.
Circuit Clerk.	
6.	<u>Public Officials should strengthen controls to ensure proper segregation of duties in the Circuit Clerk's office.</u>
Repeat Finding	Yes
Criteria	An effective system of internal controls should include an adequate segregation of duties.
Condition	As reported in the prior two years' audit reports, 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 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 Circuit 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.
Justice Court Clerk.	
7.	<u>Public Officials should strengthen controls to ensure proper segregation of duties in the Justice Court Clerk's office.</u>
Repeat Finding	Yes
Criteria	An effective system of internal controls should include an adequate segregation of duties.
Condition	As reported in the prior two years' audit reports, 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 collections and disbursement functions is implemented.
Views of Responsible Official(s)	I will comply to all of the suggestions.

Sheriff.

8. 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 two years' audit reports, auditors noted that the Sheriff failed to settle all fees and charges. Monthly collections for December 2021 through April 2022 were not settled until November 2022, and monthly collections from May 2022 through August 2022 were not settled until January 2023. September 2022 monthly collections were not settled at all.

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) I will comply.

9. 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 two years' audit reports, 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 six (6) 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) I will comply.

10. 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.

Condition	As reported in the prior two years' audit reports, 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.
Cause	The Sheriff lacks the necessary controls over the collecting, recording and disbursing of cash.
Effect	Failure to segregate duties could result in fraud or the loss of public funds.
Recommendation	We recommend the Sheriff 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 with the recommendation.

Tax Assessor - Collector.

11. Public Officials should strengthen controls to ensure proper segregation of duties in the Tax Assessor-Collector'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 two years' audit reports, 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.
Cause	The Tax Assessor-Collector lacks the controls necessary over cash collections and disbursements.
Effect	Failure to segregate duties adequately could result in fraud or the loss of public funds.
Recommendation	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.

Views of Responsible Official(s) We will continue to work for a way to improve.

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

August 19, 2024

BENTON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BENTON COUNTY

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BENTON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

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 |

Federal Awards:

- | | | |
|-----|--|---------------|
| 4. | Internal control over major federal programs: | |
| a. | Material weakness identified? | No |
| b. | Significant deficiency identified? | None Reported |
| 5. | Type of auditor's report issued on compliance for major federal program: | Unmodified |
| 6. | Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. | Identification of major federal program: | |
| a. | AL# 21.027, Coronavirus state and local fiscal recovery funds | |
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. | Auditee qualified as low-risk auditee? | No |
| 10. | Prior fiscal year audit finding and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | 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*.

Section 3: Federal Award Findings and Questioned Costs

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