

**Benton County, Arkansas**  
**Regulatory Basis Financial Statements**  
**and Other Reports**

**December 31, 2019**

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LEGISLATIVE JOINT AUDITING COMMITTEE



BENTON COUNTY, ARKANSAS  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Independent Auditor's Report  
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*  
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Road Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Road Fund - Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate - Regulatory Basis (Unaudited)	4-3

# Arkansas

**Sen. Ronald Caldwell**  
Senate Chair  
**Sen. Gary Stubblefield**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Nelda Speaks**  
House Vice Chair

**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Benton County, Arkansas Officials and Quorum Court Members  
Legislative Joint Auditing Committee

#### **Report on the Financial Statements**

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Benton County, Arkansas, as of and for the year ended December 31, 2019, and the related notes to the financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory 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.

#### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements permitted by the State of Arkansas.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Benton County, Arkansas, as of December 31, 2019, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Benton County, Arkansas, as of December 31, 2019, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and road fund for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

### ***Emphasis of Matter***

As discussed in Note 14 to the financial statements, in 2019, the County adopted new revenue recognition policies mandated by Ark. Code Ann. § 14-71-101. The law requires sales taxes be recognized in the year received by the County. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole on the basis of accounting described in Note 1.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
April 28, 2021  
LOCO00419

# Arkansas

**Sen. Ronald Caldwell**  
Senate Chair  
**Sen. Gary Stubblefield**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Nelda Speaks**  
House Vice Chair

**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

Benton County, Arkansas Officials and Quorum Court Members  
Legislative Joint Auditing Committee

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Benton County, Arkansas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated April 28, 2021. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

#### Internal Control Over Financial Reporting

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

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 County'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 were not identified.

#### Compliance and Other Matters

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

We also reported to management of the County in a separate letter dated April 28, 2021.

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, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
April 28, 2021

# Arkansas



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Senate Chair  
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## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

Benton County, Arkansas Officials and Quorum Court Members  
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2019:

County Judge: Barry Moehring  
Treasurer: Deanna Ratcliffe  
Sheriff: Shawn Holloway  
Tax Collector: Gloria Peterson  
County Clerk: Betsy Harrell  
Circuit Clerk: Brenda DeShields  
Assessor: Roderick Grieve

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with County officials during the course of our audit fieldwork and at the exit conference.

#### County Judge

Benton County investigated purchases made by the Fire Marshal from October 2018 through his resignation on March 6, 2020. The County discovered, and we verified, questionable purchases totaling \$1,091 on behalf of volunteer fire departments (\$933) and of personal items (\$158). Further analysis by ALA revealed \$356 in personal expenses charged to the former Fire Marshall's procurement card; this amount was subsequently reimbursed to the County.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the Quorum Court and County management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

Handwritten signature of Marti Steel in cursive script.

Marti Steel, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
April 28, 2021

BENTON COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2019

Exhibit A

	General	Road	Other Funds in the Aggregate
<b>ASSETS</b>			
Cash and cash equivalents	\$ 20,402,021	\$ 1,347,848	\$ 25,448,681
Investments	1,989,070		
Accounts receivable	859,848	349,018	567,592
Interfund receivables	9,050		
	<b>\$ 23,259,989</b>	<b>\$ 1,696,866</b>	<b>\$ 26,016,273</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,165,784	\$ 756,486	\$ 740,707
Interfund payables		7,287	1,763
Settlements pending			16,947,671
Total Liabilities	<b>1,165,784</b>	<b>763,773</b>	<b>17,690,141</b>
<b>Fund Balances:</b>			
Restricted			4,854,460
Committed			300,885
Assigned	433,423	933,093	3,265,315
Unassigned	21,660,782		(94,528)
Total Fund Balances	<b>22,094,205</b>	<b>933,093</b>	<b>8,326,132</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 23,259,989</b>	<b>\$ 1,696,866</b>	<b>\$ 26,016,273</b>

The accompanying notes are an integral part of these financial statements.



BENTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit B

	General	Road	Other Funds in the Aggregate
<b>REVENUES</b>			
State aid	\$ 4,491,394	\$ 6,005,529	\$ 228,140
Federal aid	223,880	172,687	1,218,624
Property taxes	26,362,226	3,752,877	1,739,236
Sales taxes	8,499,720		1,032,525
Fines, forfeitures, and costs	1,906,493	11,559	607,207
Interest	426,750	26,735	109,541
Officers' fees	665,203		2,578,062
Drug screening reimbursement			4,201
Ambulance fees			32,141
911 fees	725,723		471,583
Franchise fees	129,384		
Jail fees	1,772,104		
Local permits and fees	359,155		
Insurance premiums collected	906,698		
Commissary commission	234,221		
Sale of equipment		334,745	
Treasurer's commission	333,944		
Collector's commission	1,510,576		600,000
Taxes apportioned - Assessor's salary and expense	4,140,515		
Other	1,241,924	165,142	90,195
<b>TOTAL REVENUES</b>	<b>53,929,910</b>	<b>10,469,274</b>	<b>8,711,455</b>
Less: Treasurer's commission	114,884	25,939	10,546
<b>NET REVENUES</b>	<b>53,815,026</b>	<b>10,443,335</b>	<b>8,700,909</b>
<b>EXPENDITURES</b>			
Current:			
General government	17,251,327		1,358,691
Law enforcement	29,194,844		4,529,627
Highways and streets		13,486,690	1,380,735
Public safety	2,771,437		772,809
Sanitation	455,159		
Health	51,404		2,090,229
Recreation and culture			35,670
Social services	359,430		
Total Current	50,083,601	13,486,690	10,167,761
Debt Service:			
Note principal	2,104,575		
Note interest	114,742		
<b>TOTAL EXPENDITURES</b>	<b>52,302,918</b>	<b>13,486,690</b>	<b>10,167,761</b>

BENTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,512,108	\$ (3,043,355)	\$ (1,466,852)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,140,072	1,860,000	5,103,766
Transfers out	<u>(6,963,766)</u>	<u>                    </u>	<u>(2,140,072)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,823,694)</u>	<u>1,860,000</u>	<u>2,963,694</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,311,586)	(1,183,355)	1,496,842
FUND BALANCES - JANUARY 1	<u>25,405,791</u>	<u>2,116,448</u>	<u>6,829,290</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 22,094,205</u></u>	<u><u>\$ 933,093</u></u>	<u><u>\$ 8,326,132</u></u>

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 3,209,176	\$ 4,491,394	\$ 1,282,218	\$ 5,813,925	\$ 6,005,529	\$ 191,604
Federal aid	286,630	223,880	(62,750)	1,528,040	172,687	(1,355,353)
Property taxes	26,795,672	26,362,226	(433,446)	3,590,415	3,752,877	162,462
Sales taxes	9,652,130	8,499,720	(1,152,410)			
Fines, forfeitures, and costs	1,887,546	1,906,493	18,947	8,250	11,559	3,309
Interest	216,150	426,750	210,600	350	26,735	26,385
Officers' fees	675,000	665,203	(9,797)			
911 fees	660,000	725,723	65,723			
Franchise fees	145,000	129,384	(15,616)			
Jail fees	1,750,000	1,772,104	22,104			
Local permits and fees	415,235	359,155	(56,080)			
Insurance premiums collected	5,100,000	906,698	(4,193,302)			
Commissary commission	433,500	234,221	(199,279)			
Sale of equipment					334,745	334,745
Treasurer's commission	2,100,000	333,944	(1,766,056)			
Collector's commission	2,500,000	1,510,576	(989,424)			
Taxes apportioned - Assessor's salary and expense	4,000,000	4,140,515	140,515			
Other	2,826,836	1,241,924	(1,584,912)	842,500	165,142	(677,358)
<b>TOTAL REVENUES</b>	<b>62,652,875</b>	<b>53,929,910</b>	<b>(8,722,965)</b>	<b>11,783,480</b>	<b>10,469,274</b>	<b>(1,314,206)</b>
Less: Treasurer's commission	843,850	114,884	728,966	43,750	25,939	17,811
<b>NET REVENUES</b>	<b>61,809,025</b>	<b>53,815,026</b>	<b>(7,993,999)</b>	<b>11,739,730</b>	<b>10,443,335</b>	<b>(1,296,395)</b>
EXPENDITURES						
Current:						
General government	26,257,519	17,251,327	9,006,192			
Law enforcement	30,134,405	29,194,844	939,561			
Highways and streets				15,683,064	13,486,690	2,196,374
Public safety	2,822,760	2,771,437	51,323			
Sanitation	523,395	455,159	68,236			
Health	59,100	51,404	7,696			
Social services	378,156	359,430	18,726			
<b>Total Current</b>	<b>60,175,335</b>	<b>50,083,601</b>	<b>10,091,734</b>	<b>15,683,064</b>	<b>13,486,690</b>	<b>2,196,374</b>
Debt Service:						
Note principal		2,104,575	(2,104,575)			
Note interest		114,742	(114,742)			
<b>TOTAL EXPENDITURES</b>	<b>60,175,335</b>	<b>52,302,918</b>	<b>7,872,417</b>	<b>15,683,064</b>	<b>13,486,690</b>	<b>2,196,374</b>

BENTON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND ROAD FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,633,690	\$ 1,512,108	\$ (121,582)	\$ (3,943,334)	\$ (3,043,355)	\$ 899,979
OTHER FINANCING SOURCES (USES)						
Transfers in	4,487,699	2,140,072	(2,347,627)	2,987,444	1,860,000	(1,127,444)
Transfers out	(11,734,122)	(6,963,766)	4,770,356			
TOTAL OTHER FINANCING SOURCES (USES)	(7,246,423)	(4,823,694)	2,422,729	2,987,444	1,860,000	(1,127,444)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(5,612,733)	(3,311,586)	2,301,147	(955,890)	(1,183,355)	(227,465)
FUND BALANCES - JANUARY 1	16,000,000	25,405,791	9,405,791	1,025,000	2,116,448	1,091,448
FUND BALANCES - DECEMBER 31	\$ 10,387,267	\$ 22,094,205	\$ 11,706,938	\$ 69,110	\$ 933,093	\$ 863,983

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 1: Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The County is a political subdivision of the state governed by an elected quorum court. The reporting entity includes all the funds of the County.

**B. Basis of Presentation - Regulatory**

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Ark. Code Ann. § 10-4-412. The law requires that the financial statements be presented on a fund basis with, as a minimum, the general fund and road fund presented separately with all other funds included in the financial statements presented in the aggregate. This law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to actual expenditures for the general and road funds; notes to financial statements; and a supplemental schedule of capital assets.

The regulatory basis of presentation is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide and fund financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds are recognized in the accompanying regulatory basis financial statements.

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

**Road Fund** - The Road Fund (Special Revenue Fund) is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Road Fund accounts for and reports proceeds of state highway turnback, property taxes, and federal aid that are restricted or committed for maintaining and constructing roads.

**Other Funds in the Aggregate** - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Road Funds. The following types of funds are included in this column as follows:

**Special Revenue Funds** - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. See Schedules 1 and 2 for Special Revenue Funds as reported with other funds in the aggregate.

**Capital Projects Funds** - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for the Capital Projects Fund as reported with other funds in the aggregate.

**Custodial Funds** - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for Custodial Funds as reported with other funds in the aggregate.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Basis of Accounting – Regulatory**

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Ark. Code Ann. § 10-4-412. This regulatory basis differs from accounting principles generally accepted in the United States of America. Revenues generally are recognized as soon as they are both measurable and available except for Treasurer's and Collector's commission and Taxes apportioned – Assessor's salary and expense which are recognized when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. However, most state aid received from the State Treasury, as well as county sales taxes, is by state law revenue of the year in which it was received by the government. Expenditures generally are recorded when a liability is incurred. Liabilities incurred by the government on or before the end of the current period that are paid within 60 days of the end of the current period, are considered to be expenditures of the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. As a result of the use of this regulatory basis of accounting, capital assets and long-term debt are not recorded in these financial statements. Pension trust funds are reported in a separate column as part of supplementary information in order to provide users of the financial statements a better understanding of the entity as a whole.

The regulatory basis of accounting is not in accordance with generally accepted accounting principles (GAAP). GAAP require the following major concepts: Accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, and applicable note disclosures. The regulatory basis of accounting does not require the previously identified concepts.

**D. Assets, Liabilities, and Fund Balances**

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposit.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, trust funds, property taxes, excess commissions, and excess Assessor's salary and expenses that have not been transferred to the appropriate entities.

Fund Balance Classifications

1. Restricted fund balance – amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Quorum Court.
3. Assigned fund balance – amounts that are constrained by the Quorum Court's intent to be used for specific purposes, but are neither restricted nor committed.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Fund Balances (Continued)**

Fund Balance Classifications (Continued)

4. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

**E. Property Taxes**

A lien attaches to the real property in January and on personal property in June of each year. Property taxes are collectible beginning the first business day of March of the subsequent year, but are not considered delinquent until after October 15.

**F. Budget Law**

1. Legal Requirements

State law requires that the Quorum Court, before the end of each fiscal year, make appropriations, by ordinance, for the expenditures of County government for the following year. The Quorum Court may make appropriation amendments at any time during the current fiscal year. Appropriations lapse at the end of each year. Under certain conditions, the budget may be amended subsequent to the year-end.

2. Accounting

The County prepared an annual budget on the regulatory basis for the General Fund, Road Fund, and the other operating funds.

**G. Fund Balance Classification Policies and Procedures**

The County's highest level of decision-making authority is its Quorum Court. The establishment of amounts classified as committed fund balances and any subsequent modifications to such balances are the result of formal action taken by the Quorum Court through passage of an ordinance. The Quorum Court is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The County does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The County does not have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 2: Cash Deposits with Financial Institutions**

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)		
Collateralized:	\$ 8,824,328	\$ 8,821,925
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	38,364,992	39,650,098
Total Deposits	\$ 47,189,320	\$ 48,472,023

The above total deposits do not include cash on hand of \$9,230.

**NOTE 3: Legal or Contractual Provisions for Deposits and Investments**

State law generally requires that county funds be deposited in federally insured banks located in the State of Arkansas. The county deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of not longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

**NOTE 4: Public Fund Investments**

A summary of investments by fund types is as follows:

Fund Type	December 31, 2019 Fair Value
General Fund	\$ 1,989,070

Investments are reported at fair value. Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets.
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity)



BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 4: Public Fund Investments (Continued)**

The County's investments are composed of the following:

<u>December 31, 2019</u>	Other Observable Inputs Level II
Investment Type	
Mortgage Backed Government CMO Securities	\$ 1,989,070

U.S. Government, mortgage-backed bonds are valued at fair value using quoted market prices from third parties that use, as their basis readily observable market inputs, such as yields of similar instruments with comparable inputs. As a result, these were classified as Level II inputs.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to change in interest rates due to their terms of characteristics. The County does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increased interest rates. The investments above matures within five years.

Mortgaged Backed Securities – As of December 31, 2019, the County held mortgage backed securities with a fair value of \$1,989,070. The overall return or yield on mortgage backed securities depends on the amount of interest collected over the life of the security and the change in the market value. Although, the County will receive the full amount of principal if prepaid, the interest income that would have been collected during the remaining period to maturity, net of any market adjustment is lost. Accordingly, the yields and maturities of mortgage backed securities generally depend on when the underlying mortgage loan principal and interest are repaid. If market rates fall below a mortgage loan's contractual rate, it is generally to the borrower's advantage to repay the existing and obtain new lower financing. In addition to changes in interest rates, mortgage loan prepayments depend on other factors such as loan types and geographic location of the related properties. At December 31, 2019, the County held no mortgage backed securities that were considered as highly sensitive to changes in interest rates.

**NOTE 5: Accounts Receivable**

The accounts receivable balance at December 31, 2019, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid	\$ 21,356		\$ 123,985
Property taxes		\$ 143,370	53,931
Fines, forfeitures, and costs	89,135	680	46,478
Interest	601		1,631
Officers' fees	29,705		228,295
911 fees	190,342		33,979
Franchise fees	31,087		
Jail fees	323,130		
Local permits and fees	20,492		
Other	154,000	38,207	17,259
Treasurer's commission charged		166,761	62,034
Totals	\$ 859,848	\$ 349,018	\$ 567,592

BENTON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2019

**NOTE 6: Accounts Payable**

The accounts payable balance at December 31, 2019, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 1,165,784	\$ 756,486	\$ 740,707

**NOTE 7: Interfund Balances**

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2019	
	Interfund Receivables	Interfund Payables
General Fund	\$ 9,050	
Road Fund		\$ 7,287
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation		189
Collector's Automation		400
Jail Maintenance		221
Emergency 911		290
Judicial Collections		601
Victim/Witness		62
Totals	<u>\$ 9,050</u>	<u>\$ 9,050</u>

Interfund receivables and payables consist of interfund loans. These balances were repaid by January 22, 2020.

**NOTE 8: Federal Funds Program Compliance**

Benton County's federal grants were in the process of being audited in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the County.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 9: Details of Fund Balance Classifications**

Fund balance classifications at December 31, 2019, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 2,213,320
Law enforcement			580,223
Public safety			1,627,781
Health			202,383
Recreation and culture			230,753
Total Restricted			<u>4,854,460</u>
Committed for:			
Law enforcement			<u>300,885</u>
Assigned to:			
General government			257,098
Law enforcement	\$ 433,423		1,628,559
Highways and streets		\$ 933,093	
Health			128,793
Capital outlay			1,250,865
Total Assigned	<u>\$ 433,423</u>	<u>933,093</u>	<u>\$ 3,265,315</u>
Unassigned	<u>21,660,782</u>		<u>(94,528)</u>
Totals	<u>\$ 22,094,205</u>	<u>\$ 933,093</u>	<u>\$ 8,326,132</u>

**NOTE 10: Deficit Fund Balances**

The following funds have deficit fund balances as of December 31, 2019:

	December 31, 2019
Other Funds in the Aggregate:	
Special Revenue Funds:	
Substance Abuse and Mental Health Services Administration - Drug Court Grant	<u>\$ (94,528)</u>

This deficit fund balance was eliminated by transfers and/or revenues in 2020.

**NOTE 11: Legal Debt Limit**

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2019, the legal debt limit for bonded debt was \$529,732,883. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The County is subject to a constitutional limitation for short-term financing obligations equal to 2.5% of the assessed value of taxable property within the County as determined by the last tax assessment. At December 31, 2019, the legal debt limit for short-term financing obligations was \$137,822,817. The amount of short-term financing obligations was \$2,365,630, leaving a legal debt margin of \$135,457,187.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 12: Commitments**

Total commitments consist of the following at December 31, 2019:

	December 31, 2019
Long-term liabilities	\$ 4,145,465
Construction contracts	934,786
Total Commitments	\$ 5,080,251

Long-term Liabilities

Long-term liabilities at December 31, 2019, are comprised of the following:

	December 31, 2019
<u>Direct Borrowings</u>	
Promissory note dated January 29, 2018, with Regions Capital Advantage, Inc. in the amount of \$2,470,205 with interest rate of 2.05% for the purchase of election equipment. Annual payments of \$494,041 plus interest for 5 years. Payments are to be made from the General Fund.	\$ 741,061
Promissory note dated November 30, 2018, with Regions Capital Advantage, Inc. in the amount of \$2,000,000 with interest rate of 3.17% for the purchase of radio equipment. Annual payments of \$438,831 for 5 years. Payments are to be made from the General Fund.	1,624,569
Total Direct Borrowings	2,365,630
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	1,779,835
Total Long-term liabilities	\$ 4,145,465

Due to the County's regulatory basis of accounting, these liabilities are not recorded in the financial statements.

The County's outstanding notes from direct borrowings of \$2,365,630 contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law.

Post Employment Benefits Other Than Pensions

The amount of any actuarially determined accrued liability for post employment benefits other than pensions was not determined.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 12: Commitments (Continued)**

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2019	Maturities to December 31, 2019
<u>Direct Borrowings</u>					
1/29/18	1/29/23	2.05%	\$ 2,470,205	\$ 741,061	\$ 1,729,144
11/30/18	11/30/23	3.17%	2,000,000	1,624,569	375,431
Total Long-Term Debt			<u>\$ 4,470,205</u>	<u>\$ 2,365,630</u>	<u>\$ 2,104,575</u>

Changes in Long-Term Debt

	Balance January 01, 2019	Issued	Retired	Balance December 31, 2019
<u>Direct Borrowings</u>				
Notes payable	\$ 4,470,205		\$ 2,104,575	\$ 2,365,630

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2019:

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2020	\$ 881,373	\$ 82,375	\$ 963,748
2021	646,631	44,369	691,000
2022	412,278	26,553	438,831
2023	425,348	13,483	438,831
Totals	<u>\$ 2,365,630</u>	<u>\$ 166,780</u>	<u>\$ 2,532,410</u>

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2019:

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2019
Cow Face Bridge	April 2020	\$ 657,626
Wagon Wheel Bridge	May 2021	277,160
Total Construction Contracts		<u>\$ 934,786</u>

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 13: Interfund Transfers**

The General Fund transferred \$1,860,000 to the Road Fund to supplement road operations and \$5,103,766 to the Other Funds in the Aggregate to supplement operations and for capital projects. Other Funds in the Aggregate transferred \$2,140,072 to the General Fund (excess fees from County Recorder's Cost Fund of \$2,140,000 and to close a grant fund of \$72).

**NOTE 14: Change in Accounting Policy**

Ark. Code Ann. § 14-71-101 went into effect for the year ended December 31, 2019, and requires sales taxes be recognized in the year received by the County. For 2019, the County will only recognize 11 months of sales taxes instead of 12 months.

**NOTE 15: Subsequent Events**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The extent of the impact of COVID-19 on the financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak, revenue collections, and any other possible issues – all of which are uncertain and cannot be predicted. The financial impact of COVID-19 to the County is uncertain. On November 9, 2020, the County received \$3,798,260 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. On December 28, 2020, the County received \$82,808 federal grant reimbursement for 2020 elections from the CARES Act.

On January 21, 2021, the County received \$8,364,839 Emergency Rental Assistance from the Consolidated Appropriations Act of 2021, and the County established the Emergency Rental Assistance Program Fund by Ordinance No. O-2021-03. On January 29, 2021, Benton County awarded a sub-grant of \$8,364,839 to Excellerate Foundation to serve as the managing entity of federal dollars awarded to provide emergency rental assistance in 2021 to Benton County residents impacted by the COVID-19 pandemic.

On July 30, 2020, Benton County passed Ordinance No. O-2020-34 to finance certain courthouse improvements, authorize the issuance of a promissory note to provide short-term financing under Amendment No. 78 to the Arkansas Constitution for the financing acquisition and construction of county courthouse improvements, and providing for the payment of the principal of and interest on the note not to exceed \$3,100,000. The County received loan proceeds from Regions Bank in the amount of \$3,100,000 on September 1, 2020.

On August 12, 2020, Benton County signed a construction contract with construction manager, Nabholz Construction Corporation for the Benton County Courthouse Addition and Remodel for a construction fee of 7.5% of the cost of construction. On September 10, 2020, Benton County signed an architectural contract with Hight Jackson Associates, P.A. for \$175,000 for the Benton County Courthouse Addition. On November 16, 2020, Benton County signed an amendment to the Nabholz Construction contract for the Benton County Courts Early Demolition project for \$32,664.

On July 30, 2020, Benton County adopted appropriation Ordinance No. O-2020-33 to appropriate funds from County General reserves to payoff outstanding Amendment 78 loans of \$247,020 owed for the Express Vote Election Equipment, and \$1,624,569 owed for the County Public Safety Radio System.

**NOTE 16: Jointly Governed Organizations**

Benton County Solid Waste District

Benton County and the Cities in Benton County entered into an agreement pursuant to Ark. Code Ann. § 8-6-723, creating the Benton County Solid Waste District (BCSWD). The BCSWD was established in an effort to adequately, reliably, and economically dispose of the Cities' and County's solid waste. The majority of funding for the BCSWD comes from user fees and operating grants. Payments totaling \$102,296 were made to the BCSWD during 2019 and future funding was agreed to be at the rate of \$.50 per capita of the County. Financial statements may be obtained at Benton County Solid Waste District, 5702 Brookside Rd., Bentonville, AR 72712.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 16: Jointly Governed Organizations (Continued)**

Ozark Regional Transit, Inc.

The County participates in the Ozark Regional Transit, Inc. (ORT), a jointly governed organization. The ORT provides transit services among the various locations of its members. The majority of the ORT funding is through the Federal Transportation Administration (FTA), which includes both rural and urbanized area funding and local funding that is provided by members of ORT. FTA rural funding is provided through the Arkansas Highway and Transportation Department. Other participants include Washington and Madison Counties, as well as other entities within each of the counties. Benton County paid \$20,000 in 2019 to ORT for their share of the transportation benefits provided to its members. Financial statements may be obtained at Ozark Regional Transit, 2423 E. Robinson Springdale, AR 72764.

**NOTE 17: Joint Venture**

Northwest Arkansas Regional Planning Commission

Benton County, Washington County, the University of Arkansas, multiple cities in both counties, and the Northwest Arkansas Regional Planning Commission (NWARPC) entered into an agreement on October 1, 2018 to participate in a Regional Stormwater Education and Coordination Program. The services of this program shall satisfy requirements for the federally-mandated minimum control measures of a stormwater management plan. Costs are based on a base cost and each jurisdiction's prorated share of the region's 2010 urbanized area population. Benton County paid \$35,428 in 2019 for their share of the prorated costs. Financial statements may be obtained at NWARPC, 1311 Clayton Street, Springdale, AR 72762.

**NOTE 18: Joint Operations**

Northwest Arkansas HIV Clinic

The County entered into an Intergovernmental Agreement with Washington County on February 25, 2011, to support a health clinic located in Washington County to address the needs of persons diagnosed with HIV infection. Payments of \$34,000 were made to Washington County in 2019. Financial activity of the Northwest Arkansas HIV Clinic are included in the financial statements of Washington County.

**NOTE 19: Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The County participates in the Association of Arkansas Counties Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by County officials, employees, and volunteer fire fighters while performing work for the County. Rates for counties participating in this program are revised annually based on the cost experience of the particular county or group as determined by the Workers' Compensation Commission.

Vehicle Program

- A. Liability - This program may pay all sums the County legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered county vehicle and for which the County is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The County shall pay into the program each year a charge established annually by the Risk Management Fund Board for covered county vehicles owned or leased by the County.

BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 19: Risk Management (Continued)**

Vehicle Program (Continued)

- B. Physical Damage - This program covers vehicles (excluding mobile equipment) which are the property of the participating county. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$500 per occurrence. The County agrees to pay into the program each year a service charge established annually by the Risk Management Fund Board for covered property.

General Liability Program - The program shall provide legal defense in civil rights suits against the county government of a participating county and pay judgments imposed on County officials and employees and the county government and county-formed boards and commissions. Coverage is limited to \$350,000 per case with an annual aggregate of \$350,000. The County agrees to pay into the program each year a rate established by the Risk Management Fund Board. Each county also agrees to pay the first \$500 of the aggregate cost for all expenses on each lawsuit.

The County also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the County Aid Fund. There is a \$2,500 deductible per occurrence.

The County has mutual aid agreements with various cities' fire departments and rural volunteer fire departments in the County. Many of these departments are using County-owned fire trucks and other equipment. The County retains ownership to all of the equipment that is loaned to these departments. These departments are required to carry insurance coverage on all County-owned vehicles. These departments are using Association of Arkansas Counties Program (public entity risk pool), the Arkansas Municipal League Program (public entity risk pool), the Arkansas Public Entities Risk Management Association (public entity risk pool), and various private insurance companies.

**NOTE 20: Arkansas Public Employees Retirement System**

Plan Description

The County contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or on their website [www.apers.org](http://www.apers.org).

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The County's contributions to the plan for the year ended June 30, 2019 (date of APERS Employer Allocation Report) were \$4,370,614.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the County's share of the collective net pension liability. The County's proportionate share of the collective net pension liability at June 30, 2019 (actuarial valuation date and measurement date) was \$35,966,264.



BENTON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 21: Employees Self-Insured Benefits**

The County participates in an Employee Self-Insured Benefit Plan. The County is required to maintain a benefit plan account which will be sufficient at all times to fund plan benefits and plan-related expenses. Insurance premiums collected through payroll deduction for employee, spouse, and dependent coverage, and cobra and retiree received totaled \$906,698. Health Insurance claims, administered by Blue Advantage, in the amount of \$5,203,351 were paid from this account and the County contributed \$4,295,615 to this account. As of December 31, 2019, this account had a balance of \$(586).

To safeguard against catastrophic claims loss, the County maintains an excess loss insurance policy (non-participating) with Sirius America Insurance Company that has the following features:

1. Aggregating Specific Deductible of \$90,000.
2. Specific Deductible Amount of \$150,000 per covered person.

BENTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

Schedule 1

SPECIAL REVENUE FUNDS								
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Support Collections Costs	Communication Facility and Equipment
ASSETS								
Cash and cash equivalents	\$ 28,048	\$ 586,883	\$ 195,584	\$ 281,538	\$ 202,022	\$ 921,170	\$ 42,218	\$ 1,767,859
Accounts receivable			5,364		5,813	273,585	461	4,138
<b>TOTAL ASSETS</b>	<b>\$ 28,048</b>	<b>\$ 586,883</b>	<b>\$ 200,948</b>	<b>\$ 281,538</b>	<b>\$ 207,835</b>	<b>\$ 1,194,755</b>	<b>\$ 42,679</b>	<b>\$ 1,771,997</b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 5,072	\$ 1,246	\$ 5,475	\$ 590				\$ 200,000
Interfund payables	189	400						
Settlements pending								
<b>Total Liabilities</b>	<b>5,261</b>	<b>1,646</b>	<b>5,475</b>	<b>590</b>				<b>200,000</b>
Fund Balances:								
Restricted		585,237	195,473	280,948	\$ 207,835	\$ 960,444	\$ 42,679	
Committed								
Assigned	22,787					234,311		1,571,997
Unassigned								
<b>Total Fund Balances</b>	<b>22,787</b>	<b>585,237</b>	<b>195,473</b>	<b>280,948</b>	<b>207,835</b>	<b>1,194,755</b>	<b>42,679</b>	<b>1,571,997</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 28,048</b>	<b>\$ 586,883</b>	<b>\$ 200,948</b>	<b>\$ 281,538</b>	<b>\$ 207,835</b>	<b>\$ 1,194,755</b>	<b>\$ 42,679</b>	<b>\$ 1,771,997</b>

BENTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

Schedule 1

SPECIAL REVENUE FUNDS

	Drug Control Fund	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Medical Services District (EMSD) County Levy	Adult Drug Court	Public Safety	Circuit Court Juvenile Division
<b>ASSETS</b>								
Cash and cash equivalents	\$ 15,999	\$ 5	\$ 6,681	\$ 1,583,556	\$ 286,560	\$ 40,238	\$ 2,010	\$ 253,003
Accounts receivable	4,397	22,426	302	40,487	51,227	2,095	36	8,302
<b>TOTAL ASSETS</b>	<b>\$ 20,396</b>	<b>\$ 22,431</b>	<b>\$ 6,983</b>	<b>\$ 1,624,043</b>	<b>\$ 337,787</b>	<b>\$ 42,333</b>	<b>\$ 2,046</b>	<b>\$ 261,305</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable			\$ 3,229	\$ 290	\$ 108,475	\$ 714		\$ 5,936
Interfund payables		\$ 221		290				
Settlements pending								
Total Liabilities		221	3,229	580	108,475	714		5,936
Fund Balances:								
Restricted	\$ 20,396			1,623,463	100,519	41,619	\$ 2,046	255,369
Committed								
Assigned		22,210	3,754		128,793			
Unassigned								
Total Fund Balances	20,396	22,210	3,754	1,623,463	229,312	41,619	2,046	255,369
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 20,396</b>	<b>\$ 22,431</b>	<b>\$ 6,983</b>	<b>\$ 1,624,043</b>	<b>\$ 337,787</b>	<b>\$ 42,333</b>	<b>\$ 2,046</b>	<b>\$ 261,305</b>

BENTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

Schedule 1

SPECIAL REVENUE FUNDS								
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Judicial Collections	Federal Forfeitures	North East Benton County Emergency Medical Services District (EMSD) VAS Levy	Historical Preservation	Law Enforcement Training / Terrorism Prevention Grant	Juvenile Detention Center State Grant Aid
ASSETS								
Cash and cash equivalents	\$ 100,414	\$ 29,529	\$ 297,150	\$ 26,504	\$ 135,944	\$ 239,819		\$ 20,548
Accounts receivable	<u>1,080</u>	<u>208</u>	<u>19,328</u>		<u>1,489</u>	<u>1,753</u>	<u>4,318</u>	
<b>TOTAL ASSETS</b>	<b><u>\$ 101,494</u></b>	<b><u>\$ 29,737</u></b>	<b><u>\$ 316,478</u></b>	<b><u>\$ 26,504</u></b>	<b><u>\$ 137,433</u></b>	<b><u>\$ 241,572</u></b>	<b><u>\$ 4,318</u></b>	<b><u>\$ 20,548</u></b>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 552				\$ 35,569	\$ 10,819		
Interfund payables			\$ 601					
Settlements pending								
Total Liabilities	<u>552</u>		<u>601</u>		<u>35,569</u>	<u>10,819</u>		
Fund Balances:								
Restricted	100,942	\$ 29,737		\$ 26,504	101,864	230,753	\$ 4,318	\$ 20,548
Committed			300,885					
Assigned			14,992					
Unassigned								
Total Fund Balances	<u>100,942</u>	<u>29,737</u>	<u>315,877</u>	<u>26,504</u>	<u>101,864</u>	<u>230,753</u>	<u>4,318</u>	<u>20,548</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 101,494</u></b>	<b><u>\$ 29,737</u></b>	<b><u>\$ 316,478</u></b>	<b><u>\$ 26,504</u></b>	<b><u>\$ 137,433</u></b>	<b><u>\$ 241,572</u></b>	<b><u>\$ 4,318</u></b>	<b><u>\$ 20,548</u></b>

BENTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

Schedule 1

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUND	
	Juvenile Accountability Block Grant (JABG)	Alternative Dispute Resolution Grant	Court Improvement Program Grant	Substance Abuse and Mental Health Services Administration - Drug Court Grant	Arkansas Economic Development Septic System Installation Project Grant	Victim/Witness	Maysville Community Center Grant	Juvenile Detention Alternative Initiative (JDAI)	Capital Projects
ASSETS									
Cash and cash equivalents	\$ 7,694	\$ 12,200	\$ 926	\$ (130,208)	\$ 86	\$ 13,426	\$ 8,387	\$ (944)	\$ 1,526,161
Accounts receivable				100,016		890	944	18,933	
<b>TOTAL ASSETS</b>	<b>\$ 7,694</b>	<b>\$ 12,200</b>	<b>\$ 926</b>	<b>\$ (30,192)</b>	<b>\$ 86</b>	<b>\$ 14,316</b>	<b>\$ 8,387</b>	<b>\$ 0</b>	<b>\$ 1,545,094</b>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 1,200		\$ 64,336			\$ 2,975	\$ 294,229	
Interfund payables						\$ 62			
Settlements pending									
Total Liabilities		<u>1,200</u>		<u>64,336</u>		<u>62</u>	<u>2,975</u>	<u>294,229</u>	
Fund Balances:									
Restricted	\$ 6,342	11,000	\$ 926		\$ 86		5,412		
Committed									
Assigned	1,352					14,254		1,250,865	
Unassigned				(94,528)					
Total Fund Balances	<u>7,694</u>	<u>11,000</u>	<u>926</u>	<u>(94,528)</u>	<u>86</u>	<u>14,254</u>	<u>5,412</u>	<u>1,250,865</u>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,694</b>	<b>\$ 12,200</b>	<b>\$ 926</b>	<b>\$ (30,192)</b>	<b>\$ 86</b>	<b>\$ 14,316</b>	<b>\$ 8,387</b>	<b>\$ 0</b>	<b>\$ 1,545,094</b>

BENTON COUNTY, ARKANSAS  
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 DECEMBER 31, 2019

Schedule 1

CUSTODIAL FUNDS

	Treasurer's Accounts	Collector's Accounts	Sheriff's Accounts	County Clerk's Accounts	Circuit Clerk's Accounts	Excess Commissions	County Judge's Planning Board	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 224,329	\$ 1,409,474	\$ 478,623	\$ 199,368	\$ 2,868,145	\$ 11,734,231	\$ 33,501	\$ 25,448,681
Accounts receivable								567,592
<b>TOTAL ASSETS</b>	<b>\$ 224,329</b>	<b>\$ 1,409,474</b>	<b>\$ 478,623</b>	<b>\$ 199,368</b>	<b>\$ 2,868,145</b>	<b>\$ 11,734,231</b>	<b>\$ 33,501</b>	<b>\$ 26,016,273</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable								\$ 740,707
Interfund payables								1,763
Settlements pending	\$ 224,329	\$ 1,409,474	\$ 478,623	\$ 199,368	\$ 2,868,145	\$ 11,734,231	\$ 33,501	16,947,671
<b>Total Liabilities</b>	<b>224,329</b>	<b>1,409,474</b>	<b>478,623</b>	<b>199,368</b>	<b>2,868,145</b>	<b>11,734,231</b>	<b>33,501</b>	<b>17,690,141</b>
<b>Fund Balances:</b>								
Restricted								4,854,460
Committed								300,885
Assigned								3,265,315
Unassigned								(94,528)
<b>Total Fund Balances</b>								<b>8,326,132</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 224,329</b>	<b>\$ 1,409,474</b>	<b>\$ 478,623</b>	<b>\$ 199,368</b>	<b>\$ 2,868,145</b>	<b>\$ 11,734,231</b>	<b>\$ 33,501</b>	<b>\$ 26,016,273</b>

BENTON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Schedule 2

	SPECIAL REVENUE FUNDS							
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Support Collections Costs	Communication Facility and Equipment
REVENUES								
State aid				\$ 101,746				
Federal aid								
Property taxes								
Sales taxes								
Fines, forfeitures, and costs			\$ 54,491					
Interest	\$ 170	\$ 7,587	1,285	2,014	\$ 1,348	\$ 20,310	\$ 288	\$ 1,841
Officers' fees					50,314	2,405,332	10,142	41,736
Drug screening reimbursement								
Ambulance fees								
911 fees								
Collector's commission		600,000						
Other						56,305		
<b>TOTAL REVENUES</b>	<b>170</b>	<b>607,587</b>	<b>55,776</b>	<b>103,760</b>	<b>51,662</b>	<b>2,481,947</b>	<b>10,430</b>	<b>43,577</b>
Less: Treasurer's commission			145		131	6,364	26	111
<b>NET REVENUES</b>	<b>170</b>	<b>607,587</b>	<b>55,631</b>	<b>103,760</b>	<b>51,531</b>	<b>2,475,583</b>	<b>10,404</b>	<b>43,466</b>
EXPENDITURES								
Current:								
General government	156,777	509,969		27,687	26,927		3,033	
Law enforcement			22,957					3,285,403
Highways and streets								
Public safety								
Health								
Recreation and culture								
<b>TOTAL EXPENDITURES</b>	<b>156,777</b>	<b>509,969</b>	<b>22,957</b>	<b>27,687</b>	<b>26,927</b>		<b>3,033</b>	<b>3,285,403</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(156,607)</b>	<b>97,618</b>	<b>32,674</b>	<b>76,073</b>	<b>24,604</b>	<b>2,475,583</b>	<b>7,371</b>	<b>(3,241,937)</b>
OTHER FINANCING SOURCES (USES)								
Transfers in	120,000							4,645,896
Transfers out						(2,140,000)		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>120,000</b>					<b>(2,140,000)</b>		<b>4,645,896</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(36,607)</b>	<b>97,618</b>	<b>32,674</b>	<b>76,073</b>	<b>24,604</b>	<b>335,583</b>	<b>7,371</b>	<b>1,403,959</b>
FUND BALANCES - JANUARY 1	59,394	487,619	162,799	204,875	183,231	859,172	35,308	168,038
FUND BALANCES - DECEMBER 31	<u>\$ 22,787</u>	<u>\$ 585,237</u>	<u>\$ 195,473</u>	<u>\$ 280,948</u>	<u>\$ 207,835</u>	<u>\$ 1,194,755</u>	<u>\$ 42,679</u>	<u>\$ 1,571,997</u>

BENTON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Schedule 2

SPECIAL REVENUE FUNDS								
	Drug Control Fund	Jail Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Medical Services District (EMSD) County Levy	Adult Drug Court	Public Safety	Circuit Court Juvenile Division
REVENUES								
State aid			\$ 17,456		\$ 68,469			
Federal aid								
Property taxes					1,347,156			
Sales taxes								
Fines, forfeitures, and costs	\$ 10,674	\$ 259,752				\$ 16,291	\$ 604	\$ 29,592
Interest	107	46	23	\$ 33,171	519	282	13	5,846
Officers' fees								52,443
Drug screening reimbursement						4,201		
Ambulance fees								
911 fees				471,583				
Collector's commission								
Other		252		5,498				6,497
<b>TOTAL REVENUES</b>	<b>10,781</b>	<b>260,050</b>	<b>17,479</b>	<b>510,252</b>	<b>1,416,144</b>	<b>20,774</b>	<b>617</b>	<b>94,378</b>
Less: Treasurer's commission	5	724	47	1,012		44	2	220
<b>NET REVENUES</b>	<b>10,776</b>	<b>259,326</b>	<b>17,432</b>	<b>509,240</b>	<b>1,416,144</b>	<b>20,730</b>	<b>615</b>	<b>94,158</b>
EXPENDITURES								
Current:								
General government								
Law enforcement	10,000	275,701	26,477			23,091	1,000	185,802
Highways and streets								
Public safety				641,262				
Health					1,315,625			
Recreation and culture								
<b>TOTAL EXPENDITURES</b>	<b>10,000</b>	<b>275,701</b>	<b>26,477</b>	<b>641,262</b>	<b>1,315,625</b>	<b>23,091</b>	<b>1,000</b>	<b>185,802</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>776</b>	<b>(16,375)</b>	<b>(9,045)</b>	<b>(132,022)</b>	<b>100,519</b>	<b>(2,361)</b>	<b>(385)</b>	<b>(91,644)</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>776</b>	<b>(16,375)</b>	<b>(9,045)</b>	<b>(132,022)</b>	<b>100,519</b>	<b>(2,361)</b>	<b>(385)</b>	<b>(91,644)</b>
FUND BALANCES - JANUARY 1	19,620	38,585	12,799	1,755,485	128,793	43,980	2,431	347,013
FUND BALANCES - DECEMBER 31	<u>\$ 20,396</u>	<u>\$ 22,210</u>	<u>\$ 3,754</u>	<u>\$ 1,623,463</u>	<u>\$ 229,312</u>	<u>\$ 41,619</u>	<u>\$ 2,046</u>	<u>\$ 255,369</u>



BENTON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Schedule 2

	SPECIAL REVENUE FUNDS							
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	Judicial Collections	Federal Forfeitures	North East Benton County Emergency Medical Services District (EMSD) VAS Levy	Historical Preservation	State Homeland Security Grant FY 13	Law Enforcement Training / Terrorism Prevention Grant
REVENUES								
State aid								
Federal aid							\$ 4,379	\$ 130,250
Property taxes					\$ 359,745	\$ 32,335		
Sales taxes								
Fines, forfeitures, and costs			\$ 184,391					
Interest	\$ 706	\$ 172	1,897	\$ 185	947	4,576		
Officers' fees	6,106	11,989						
Drug screening reimbursement								
Ambulance fees					32,141			
911 fees								
Collector's commission								
Other			8					
<b>TOTAL REVENUES</b>	<b>6,812</b>	<b>12,161</b>	<b>186,296</b>	<b>185</b>	<b>392,833</b>	<b>36,911</b>	<b>4,379</b>	<b>130,250</b>
Less: Treasurer's commission	83	32	478			84		
<b>NET REVENUES</b>	<b>6,729</b>	<b>12,129</b>	<b>185,818</b>	<b>185</b>	<b>392,833</b>	<b>36,827</b>	<b>4,379</b>	<b>130,250</b>
EXPENDITURES								
Current:								
General government	6,037							
Law enforcement			88,283					
Highways and streets								
Public safety							4,150	127,397
Health					369,929			
Recreation and culture						35,670		
<b>TOTAL EXPENDITURES</b>	<b>6,037</b>		<b>88,283</b>		<b>369,929</b>	<b>35,670</b>	<b>4,150</b>	<b>127,397</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>692</b>	<b>12,129</b>	<b>97,535</b>	<b>185</b>	<b>22,904</b>	<b>1,157</b>	<b>229</b>	<b>2,853</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>692</b>	<b>12,129</b>	<b>97,535</b>	<b>185</b>	<b>22,904</b>	<b>1,157</b>	<b>229</b>	<b>2,853</b>
FUND BALANCES - JANUARY 1	100,250	17,608	218,342	26,319	78,960	229,596	(229)	1,465
FUND BALANCES - DECEMBER 31	\$ 100,942	\$ 29,737	\$ 315,877	\$ 26,504	\$ 101,864	\$ 230,753	\$ 0	\$ 4,318

BENTON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Schedule 2

	SPECIAL REVENUE FUNDS							
	Juvenile Detention Center State Grant Aid	Juvenile Accountability Block Grant (JABG)	Alternative Dispute Resolution Grant	Court Improvement Program Grant	Adult Drug Court Discretionary Grant FY 13	Substance Abuse and Mental Health Services Administration - Drug Court Grant	Benton County Veterans Treatment Court Grant	AAC Veteran's Court Grant
REVENUES								
State aid	\$ 22,082		\$ 10,000					
Federal aid						\$ 451,775		
Property taxes								
Sales taxes								
Fines, forfeitures, and costs								
Interest								
Officers' fees								
Drug screening reimbursement								
Ambulance fees								
911 fees								
Collector's commission								
Other		\$ 166	800			10,946		
<b>TOTAL REVENUES</b>	<b>22,082</b>	<b>166</b>	<b>10,800</b>			<b>462,721</b>		
Less: Treasurer's commission								
<b>NET REVENUES</b>	<b>22,082</b>	<b>166</b>	<b>10,800</b>			<b>462,721</b>		
EXPENDITURES								
Current:								
General government								
Law enforcement	13,537	83	10,200	\$ 651	\$ 10		\$ 1,091	\$ 885
Highways and streets								
Public safety								
Health						404,675		
Recreation and culture								
<b>TOTAL EXPENDITURES</b>	<b>13,537</b>	<b>83</b>	<b>10,200</b>	<b>651</b>	<b>10</b>	<b>404,675</b>	<b>1,091</b>	<b>885</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>8,545</b>	<b>83</b>	<b>600</b>	<b>(651)</b>	<b>(10)</b>	<b>58,046</b>	<b>(1,091)</b>	<b>(885)</b>
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>								
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>8,545</b>	<b>83</b>	<b>600</b>	<b>(651)</b>	<b>(10)</b>	<b>58,046</b>	<b>(1,091)</b>	<b>(885)</b>
FUND BALANCES - JANUARY 1	12,003	7,611	10,400	1,577	10	(152,574)	1,091	885
FUND BALANCES - DECEMBER 31	<u>\$ 20,548</u>	<u>\$ 7,694</u>	<u>\$ 11,000</u>	<u>\$ 926</u>	<u>\$ 0</u>	<u>\$ (94,528)</u>	<u>\$ 0</u>	<u>\$ 0</u>

BENTON COUNTY, ARKANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Schedule 2

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUND	Totals
	AAC Adult Drug Court Grant	Arkansas Economic Development Septic System Installation Project Grant	Victim/Witness	Maysville Community Center Grant	Juvenile Detention Alternative Initiative (JDAI)	
REVENUES						
State aid				\$ 8,387		\$ 228,140
Federal aid					\$ 19,946	\$ 1,218,624
Property taxes						1,739,236
Sales taxes						1,032,525
Fines, forfeitures, and costs			\$ 51,412			607,207
Interest			5			109,541
Officers' fees						2,578,062
Drug screening reimbursement						4,201
Ambulance fees						32,141
911 fees						471,583
Collector's commission						600,000
Other			913			90,195
<b>TOTAL REVENUES</b>			<b>52,330</b>	<b>8,387</b>	<b>19,946</b>	<b>8,711,455</b>
Less: Treasurer's commission			1,038			10,546
<b>NET REVENUES</b>			<b>51,292</b>	<b>8,387</b>	<b>19,946</b>	<b>8,700,909</b>
EXPENDITURES						
Current:						
General government				2,975		1,358,691
Law enforcement			172,842		19,946	4,529,627
Highways and streets						1,380,735
Public safety						772,809
Health						2,090,229
Recreation and culture						35,670
<b>TOTAL EXPENDITURES</b>			<b>172,842</b>	<b>2,975</b>	<b>19,946</b>	<b>10,167,761</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			<b>(121,550)</b>	<b>5,412</b>		<b>(1,466,852)</b>
OTHER FINANCING SOURCES (USES)						
Transfers in			127,870			5,103,766
Transfers out	\$ (72)					(2,140,072)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(72)</b>		<b>127,870</b>			<b>2,963,694</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(72)</b>		<b>6,320</b>	<b>5,412</b>		<b>1,496,842</b>
FUND BALANCES - JANUARY 1	72	\$ 86	7,934			1,758,742
FUND BALANCES - DECEMBER 31	\$ 0	\$ 86	\$ 14,254	\$ 5,412	\$ 0	\$ 1,250,865

BENTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2019

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Treasurer's Automation	Ark. Code Ann. § 21-6-302 established fund to receive up to 10% of Treasurer's gross commissions to operate the Treasurer's office and to purchase, maintain, and operate an automated accounting and record keeping system.
Collector's Automation	Ark. Code Ann. § 21-6-305 established fund to receive up to 10% of collector's gross commission to operate the collector's office and to purchase, maintain, and operate an automated record keeping system.
Circuit Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive circuit court installment fees to be used for circuit court-related technology and to defray the cost of fine collection.
Assessor's Amendment no. 79	Ark. Code Ann. § 26-26-310 provides that 1% of the county's share of surplus funds from the Property Tax Relief Trust Fund be allocated to county assessors for the purpose of administering Ark. Const. amend. 79.
County Clerk's Cost	Ark. Code Ann. § 21-6-413 established fund to receive fees collected by county clerks to be used for automated record systems and any legitimate county purpose.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive fees collected by circuit clerks to be used for automated record systems and any legitimate county purpose.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the clerk's office.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of Sheriff's fees collected, phone commission funds, and profits earned from prisoner commissary services to be used to train operations staff; operate, equip, repair, or replace existing communication equipment; purchase additional communications equipment; otherwise improve a communications facility or system for the sheriff's department; or purchase vehicles, weapons, or other equipment for the sheriff's department.
Drug Control Fund	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.
Jail Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.

BENTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2019

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Boating Safety and Enforcement	Ark. Code Ann. § 27-101-111 established fund to receive fees to be used for operating a patrol on the waterways within the county or for emergency rescue services if the county has not established a patrol.
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by telephone providers for 911 emergency services.
Emergency Medical Services District (EMSD) County Levy	Benton County Ordinance no. 2014-51 (July 24, 2014) established an ambulance service improvement district within Benton County as authorized by Ark. Code Ann. § 14-282-102 to provide for the availability of emergency medical services by a .2 mill levy for the unincorporated area of Benton County, not including that portion of the County which is included in the Northeast Benton County Emergency Medical Service District, which was established by Benton County Ordinance no. 85-15 (June 14, 1985).
Adult Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Public Safety	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines levied for violations of the Child Passenger Protection Code to be used for promotion of public safety.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of Circuit Clerk.
Assessor's Late Assessment Fee	Ark. Code Ann. § 26-26-201 established fund to receive \$.50 fee on delinquent persons which shall be used by the county assessor to help pay for the expense of assessing property.
Judicial Collections	Benton County Ordinance no. 2001-62 (October 25, 2001) established fund to account for 30% of funds collected as circuit court fines which are to be used for the collection of delinquent circuit court fines and costs.
Federal Forfeitures	Established to account for federal forfeiture proceeds from cooperating state and local law enforcement agencies.
North East Benton County Emergency Medical Services District (EMSD) VAS Levy	Benton County Ordinance no. 85-15 (June 14, 1985) established fund in accordance with Ark. Code Ann. § 20-13-301 to collect fees, within specified areas, to be used to provide emergency medical services.

BENTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2019

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Historical Preservation	Benton County Ordinance no. 2008-28 (October 28, 2008) established fund to account for the voluntary tax millage levied by the Quorum Court for Benton County Historical Preservation Commission.
State Homeland Security Grant FY 13	Grants received from Arkansas Department of Emergency Management for the purpose of planning, purchasing equipment, training, and exercise activities.
Law Enforcement Training / Terrorism Prevention Grant	Established to account for federal grant which provides law enforcement communities with enhanced capabilities for detecting, deferring, disrupting, and preventing acts of terrorism.
Juvenile Detention Center State Grant Aid	Established to account for grant money received from the State of Arkansas for the operation and maintenance of the Juvenile Detention Center.
Juvenile Accountability Block Grant (JABG)	Established to account for the proceeds of a grant received from the Department of Justice to be used for personnel and training costs.
Alternative Dispute Resolution Grant	Established to account for grant from Arkansas Alternative Dispute Resolution Commission to promote and implement the use of alternative dispute resolution in the State of Arkansas.
Court Improvement Program Grant	Benton County Ordinance no. 2015-37 (July 27, 2015) established fund to account for the Court Improvement Program Grant to support the H. E. L. P. program.
Adult Drug Court Discretionary Grant FY 13	Established to account for grant from the U. S. Department of Justice to enhance the Adult Drug Courts for substance-abusing adults.
Substance Abuse and Mental Health Services Administration - Drug Court Grant	Established to account for Federal grant money received from the State of Arkansas for therapy for substance abuse.
Benton County Veterans Treatment Court Grant	Established to account for grant from the Northwest Arkansas Economic Development District to increase the awareness, staff knowledge, and incentive provided in Veterans Treatment Courts.
AAC Veteran's Court Grant	Established to account for grant money from the State of Arkansas to assist veterans in court matters.
AAC Adult Drug Court Grant	Established to account for grant money from the State of Arkansas to enhance the Adult Drug Court for substance-abusing adults.

BENTON COUNTY, ARKANSAS  
 NOTES TO SCHEDULES 1 AND 2  
 DECEMBER 31, 2019

The following funds and descriptions represent all funds reported as other funds in the aggregate.

<u>Fund Name</u>	<u>Fund Description</u>
Arkansas Economic Development Septic System Installation Project Grant	Established to account for federal grant money received from the Arkansas Economic Development Commission for the improvement of septic systems in rural areas.
Victim/Witness	Ark. Code Ann. § 16-21-151 established fund to receive district court costs levied to be used by prosecuting attorney for operating victim/witness program.
Maysville Community Center Grant	Benton County Ordinance no. 2019-25 (July 25, 2019) established fund to account for grant funds received from the Arkansas Economic Development Commission Grant Fund to be used for repairs to the Maysville Community Center building.
Juvenile Detention Alternative Initiative (JDAI)	Benton County Ordinance no. 2018-43 (October 25, 2018) established fund to account for grant funds received from the Division of Youth Services to supply needed equipment, travel, and programming to continue the Juvenile Detention Alternative Initiative grant.
Capital Projects	Benton County Ordinance no. 90-41 (December 13, 1990) established fund to receive a portion, determined annually by the Quorum Court, of the 1% county Sales and Use Tax. Sales tax allocation was amended by Benton County Ordinance no. 2014-40 (June 27, 2014).

Treasurer's accounts consist primarily of property taxes due to other agencies.

Collector's accounts consist primarily of property taxes not yet distributed to the various taxing units.

Sheriff's accounts consist primarily of fees settlement, bond, evidence, and inmate trust money.

County Clerk's accounts consist primarily of fee money to be settled with the treasurer and trust monies awaiting disposition by applicable court.

Circuit Clerk's accounts consist of fee money to be settled with the treasurer and trust monies awaiting disposition by applicable court.

BENTON COUNTY, ARKANSAS  
OTHER INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
DECEMBER 31, 2019  
(Unaudited)

Schedule 3

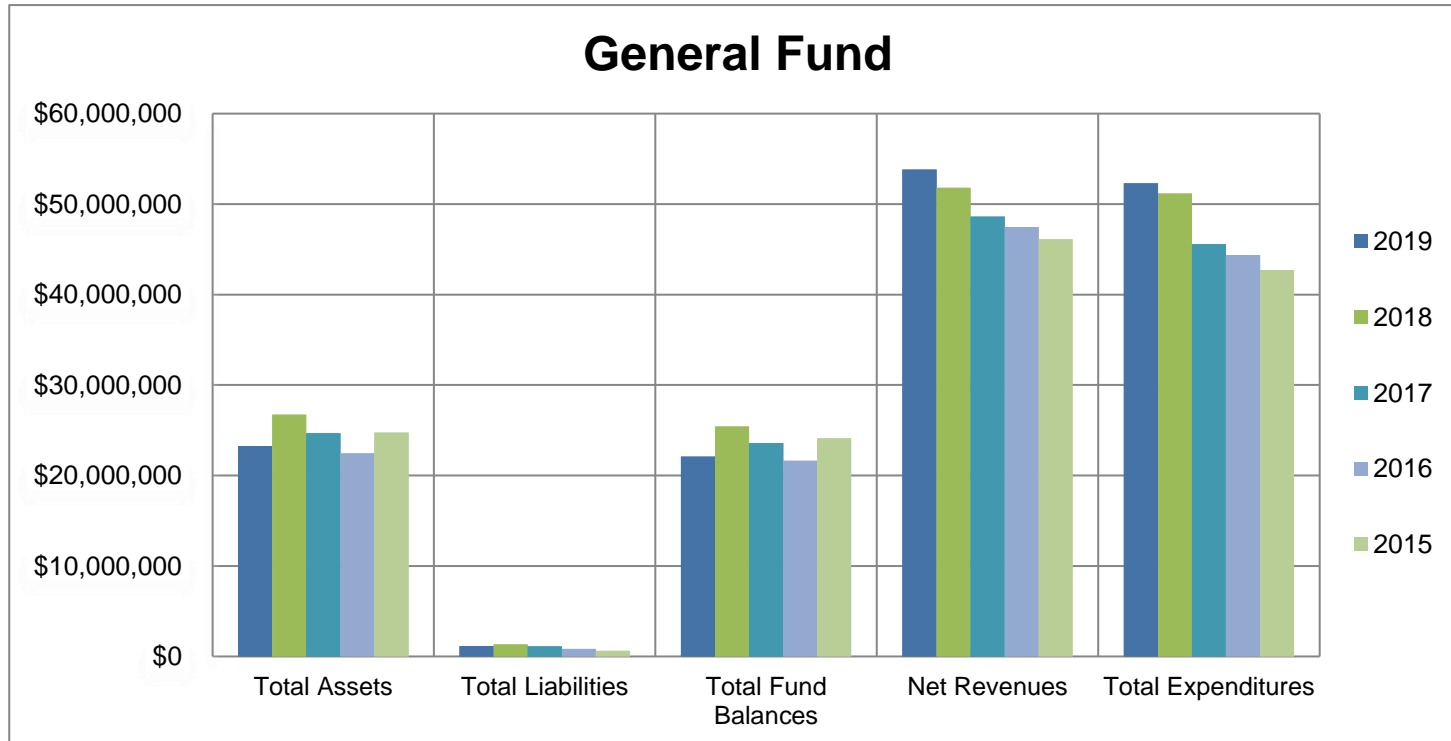
	<u>December 31, 2019</u>
Land	\$ 5,091,804
Buildings	46,390,906
Equipment	<u>42,566,066</u>
Total	<u><u>\$ 94,048,775</u></u>



BENTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS  
 DECEMBER 31, 2019  
 (Unaudited)

Schedule 4-1

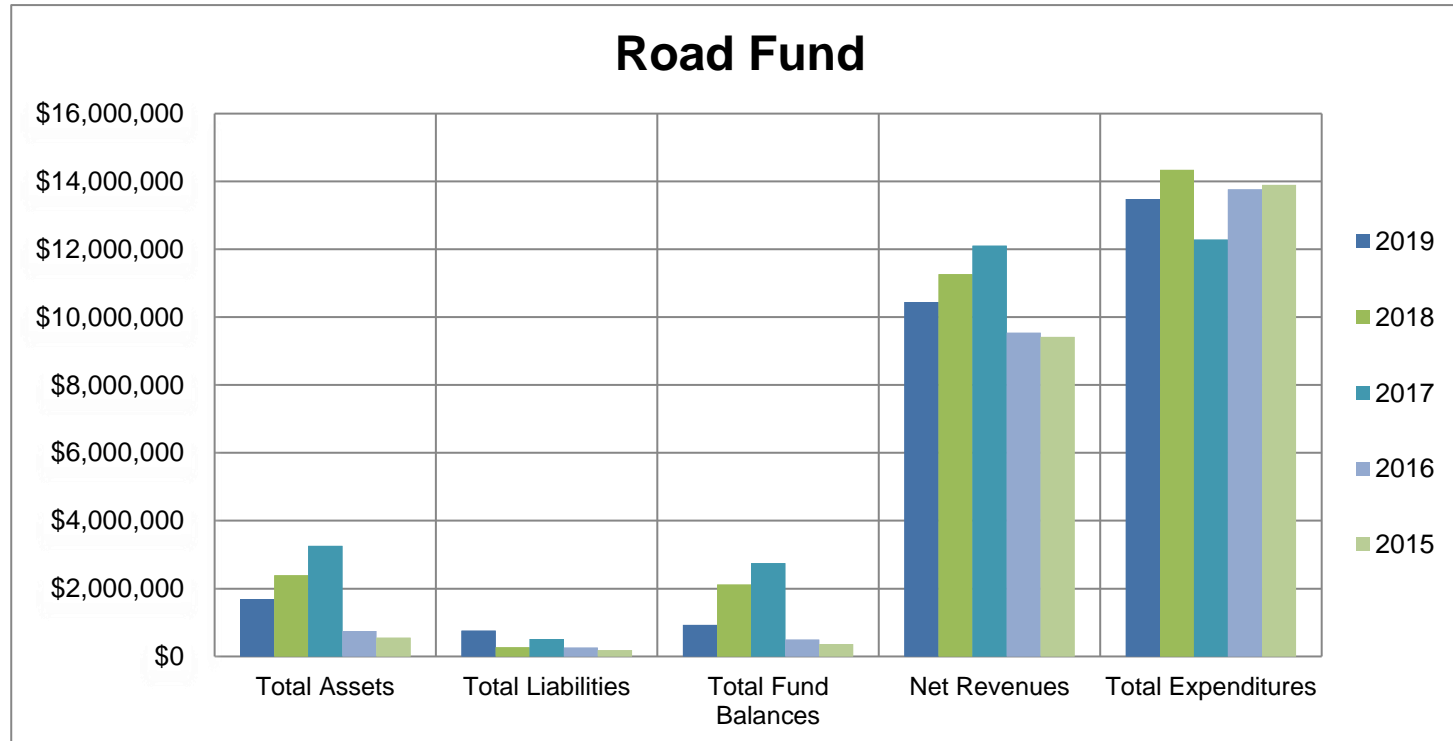
<u>General</u>	2019	2018	2017	2016	2015
Total Assets	\$ 23,259,989	\$ 26,739,810	\$ 24,668,040	\$ 22,455,760	\$ 24,747,935
Total Liabilities	1,165,784	1,334,019	1,101,330	828,882	633,997
Total Fund Balances	22,094,205	25,405,791	23,566,710	21,626,878	24,113,938
Net Revenues	53,815,026	51,793,730	48,607,038	47,454,103	46,109,918
Total Expenditures	52,302,918	51,180,962	45,586,708	44,376,005	42,710,047
Total Other Financing Sources/Uses	(4,823,694)	1,226,313	(1,077,498)	(5,565,158)	(5,219,693)



BENTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS  
 DECEMBER 31, 2019  
 (Unaudited)

Schedule 4-2

<u>Road</u>	2019	2018	2017	2016	2015
Total Assets	\$ 1,696,866	\$ 2,388,366	\$ 3,256,989	\$ 748,696	\$ 552,958
Total Liabilities	763,773	271,918	511,735	257,688	184,774
Total Fund Balances	933,093	2,116,448	2,745,254	491,008	368,184
Net Revenues	10,443,335	11,262,371	12,102,041	9,537,679	9,420,131
Total Expenditures	13,486,690	14,343,657	12,282,795	13,764,855	13,897,314
Total Other Financing Sources/Uses	1,860,000	2,452,480	2,435,000	4,350,000	3,995,208



BENTON COUNTY, ARKANSAS  
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS  
 DECEMBER 31, 2019  
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2019	2018	2017	2016	2015
Total Assets	\$ 26,016,273	\$ 25,859,726	\$ 23,409,839	\$ 25,231,294	\$ 24,619,478
Total Liabilities	17,690,141	19,030,436	15,673,702	16,533,638	16,740,551
Total Fund Balances	8,326,132	6,829,290	7,736,137	8,697,656	7,878,927
Net Revenues	8,700,909	8,148,324	9,419,241	10,086,225	7,078,144
Total Expenditures	10,167,761	9,846,583	9,023,258	10,482,654	6,174,465
Total Other Financing Sources/Uses	2,963,694	791,412	(1,357,502)	1,215,158	1,224,485

