

Benton County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE



BENTON COUNTY, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
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Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
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Kevin William White, CPA, JD
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 Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of Benton County, Arkansas (County), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, road fund, and other funds in the aggregate as of December 31, 2022, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Road Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis 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, 2022; 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.

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 section of our report, the accompanying regulatory basis 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 the general fund, road fund, and other funds in the aggregate of Benton County, Arkansas, as of December 31, 2022, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements 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.

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 and pervasive.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022 the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. 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 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 misstatements, 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatements 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 regulatory basis financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents 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.

Other Information

Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on the regulatory basis 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 regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 June 6, 2024 on our consideration of the County'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 the testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. The 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

A handwritten signature in black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
June 6, 2024
LOCO00422

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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 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, 2022, and the related notes to the financial statements, which collectively comprise the County's regulatory basis financial statements, and have issued our report thereon dated June 6, 2024. 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.

Report on 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) 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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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 laws, regulation, 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 also reported to management of the County in a separate letter dated June 6, 2024.

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 results 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



Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
June 6, 2024

Arkansas



Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair

Rep. Jimmy Gazaway
House Chair
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Kevin William White, CPA, JD
Legislative Auditor

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 2022:

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 in maintaining 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 entered into a subaward on January 29, 2021, with a nonprofit for the purpose of administering grant funds under the Emergency Rental Assistance Program, a federal program. The subaward provided for a project term of February 1, 2021 to December 31, 2021, and a total amount of funds to be remitted to the nonprofit of \$8,364,838. After remitting \$8,363,838 in calendar year 2021, Benton County remitted two additional payments in calendar year 2022 totaling \$1,000,000 but failed to document the modification of the subaward, as required by 2 C.F.R. § 200.332.

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 Timothy R. Jones in black ink.

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
June 6, 2024

BENTON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2022

Exhibit A

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 28,891,711	\$ 2,789,155	\$ 99,579,536
Accounts receivable	765,192	384,970	444,831
Interfund receivables			10,163
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 29,656,903</u></u>	<u><u>\$ 3,174,125</u></u>	<u><u>\$ 100,034,530</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 848,604	\$ 190,203	\$ 624,005
Interfund payables	9,362		801
Settlements pending			23,113,627
Total Liabilities	<u>857,966</u>	<u>190,203</u>	<u>23,738,433</u>
Fund Balances:			
Restricted			42,868,609
Committed			1,315,717
Assigned	685,795	2,983,922	32,529,917
Unassigned	28,113,142		(418,146)
Total Fund Balances	<u>28,798,937</u>	<u>2,983,922</u>	<u>76,296,097</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 29,656,903</u></u>	<u><u>\$ 3,174,125</u></u>	<u><u>\$ 100,034,530</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 -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 4,887,672	\$ 8,856,359	\$ 302,486
Federal aid	528,636	76,799	49,801,080
Property taxes	32,298,702	4,554,380	1,633,328
Sales taxes	11,181,439		1,242,382
Fines, forfeitures, and costs	1,933,310	11,325	682,752
Interest	938,324	43,843	317,408
Officers' fees	936,250		2,822,328
Franchise fees	85,188		
Jail fees	1,786,132		
Local permits & fees	554,213		
911 service fees	2,011,962		354,734
Insurance premiums collected	817,187		
Commissary commission	314,720		
Ambulance fees			411,502
Insurance settlements received	545,647		
Treasurer's commission	344,627		150,000
Collector's commission	1,696,786		600,000
Taxes apportioned - Assessor's salary and expense	5,474,771		
Other	1,585,719	265,738	282,993
TOTAL REVENUES	67,921,285	13,808,444	58,600,993
Less: Treasurer's commission	168,601	40,962	13,000
NET REVENUES	67,752,684	13,767,482	58,587,993
EXPENDITURES			
Current:			
General government	19,130,937		5,589,363
Law enforcement	22,170,229		20,912,648
Highways and streets		13,819,952	187,779
Public safety	2,623,853		4,256,090
Sanitation	329,756		
Health	31,494		5,802,932
Recreation and culture			87,443
Social services	233,054		6,328,093
Total Current	44,519,323	13,819,952	43,164,348
Debt Service:			
Financed purchase principal	612,397		
Financed purchase interest	33,338		
TOTAL EXPENDITURES	45,165,058	13,819,952	43,164,348

BENTON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Exhibit B

	<u>General</u>	<u>Road</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 22,587,626</u>	<u>\$ (52,470)</u>	<u>\$ 15,423,645</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,818,000	300,000	35,677,245
Transfers out	<u>(25,977,245)</u>	<u> </u>	<u>(12,818,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(23,159,245)</u>	<u>300,000</u>	<u>22,859,245</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(571,619)	247,530	38,282,890
FUND BALANCES - JANUARY 1	<u>29,370,556</u>	<u>2,736,392</u>	<u>38,013,207</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 28,798,937</u></u>	<u><u>\$ 2,983,922</u></u>	<u><u>\$ 76,296,097</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, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 4,368,407	\$ 4,887,672	\$ 519,265	\$ 7,468,535	\$ 8,856,359	\$ 1,387,824
Federal aid	405,084	528,636	123,552	353,560	76,799	(276,761)
Property taxes	32,886,000	32,298,702	(587,298)	4,661,557	4,554,380	(107,177)
Sales taxes	12,051,810	11,181,439	(870,371)			
Fines, forfeitures, and costs	1,884,541	1,933,310	48,769	10,000	11,325	1,325
Interest	441,500	938,324	496,824	10,640	43,843	33,203
Officers' fees	735,000	936,250	201,250			
Franchise fees	140,000	85,188	(54,812)			
Jail fees	1,500,000	1,786,132	286,132			
Local permits & fees	500,100	554,213	54,113			
911 service fees	2,000,000	2,011,962	11,962			
Insurance premiums collected	6,000,000	817,187	(5,182,813)			
Commissary commission	457,700	314,720	(142,980)			
Insurance settlements received		545,647	545,647			
Treasurer's commission	575,000	344,627	(230,373)			
Collector's commission	1,975,000	1,696,786	(278,214)			
Taxes apportioned - Assessor's salary and expense	5,300,000	5,474,771	174,771			
Other	3,361,867	1,585,719	(1,776,148)	675,500	265,738	(409,762)
TOTAL REVENUES	74,582,009	67,921,285	(6,660,724)	13,179,792	13,808,444	628,652
Less: Treasurer's commission	850,000	168,601	681,399	38,750	40,962	(2,212)
NET REVENUES	73,732,009	67,752,684	(5,979,325)	13,141,042	13,767,482	626,440
EXPENDITURES						
Current:						
General government	32,670,320	19,130,937	13,539,383			
Law enforcement	29,176,220	22,170,229	7,005,991			
Highways and streets				15,835,421	13,819,952	2,015,469
Public safety	4,909,988	2,623,853	2,286,135			
Sanitation	490,642	329,756	160,886			
Health	66,885	31,494	35,391			
Social services	440,851	233,054	207,797			
Total Current	67,754,906	44,519,323	23,235,583	15,835,421	13,819,952	2,015,469
Debt Service:						
Financed purchase principal		612,397	(612,397)			
Financed purchase interest		33,338	(33,338)			
TOTAL EXPENDITURES	67,754,906	45,165,058	22,589,848	15,835,421	13,819,952	2,015,469

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, 2022

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 5,977,103	\$ 22,587,626	\$ 16,610,523	\$ (2,694,379)	\$ (52,470)	\$ 2,641,909
OTHER FINANCING SOURCES (USES)						
Transfers in	15,005,921	2,818,000	(12,187,921)	1,957,581	300,000	(1,657,581)
Transfers out	(31,801,984)	(25,977,245)	5,824,739			
TOTAL OTHER FINANCING SOURCES (USES)	(16,796,063)	(23,159,245)	(6,363,182)	1,957,581	300,000	(1,657,581)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10,818,960)	(571,619)	10,247,341	(736,798)	247,530	984,328
FUND BALANCES - JANUARY 1	20,796,458	29,370,556	8,574,098	1,856,202	2,736,392	880,190
FUND BALANCES - DECEMBER 31	<u>\$ 9,977,498</u>	<u>\$ 28,798,937</u>	<u>\$ 18,821,439</u>	<u>\$ 1,119,404</u>	<u>\$ 2,983,922</u>	<u>\$ 1,864,518</u>

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

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 Fund - Capital Projects Fund is 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, 2022

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.

In 2022, the County implemented Governmental Accounting Standards Board Statement No. 87, Leases. The significant/material effect on the Regulatory Basis of Accounting in the current period is that certain items included in debt service in the previous period are included in the expenditure/function code of the applicable opinion unit.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, trust funds, interest, property taxes, 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.
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.

BENTON COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

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)	\$ 94,118,532	\$ 94,117,918
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	37,131,115	38,758,778
Uncollateralized	496	496
Total Deposits	\$ 131,250,143	\$ 132,877,192

The above total deposits do not include cash on hand of \$10,259.

Custodial credit risk is the risk that in event of bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2022, the County had deposits of \$496 not covered by FDIC insurance or collateralized.

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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: Accounts Receivable

The accounts receivable balance at December 31, 2022, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
State aid	\$ 17,709		\$ 2,904
Federal aid	1,646		6,780
Property taxes		\$ 174,170	62,450
Fines, forfeitures, and costs	109,352	535	51,260
Interest	2,710		5,259
Officers' fees	30,669		180,753
Franchise fees	2,594		
Jail fees	207,563		
Local permits & fees	45,189		
911 service fees			35,673
Commissary commission	23,626		
Ambulance fees			1,606
Other	324,134	464	31,562
Treasurer's commission charged		209,801	66,584
Totals	\$ 765,192	\$ 384,970	\$ 444,831

NOTE 5: Accounts Payable

The accounts payable balance at December 31, 2022, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	\$ 848,604	\$ 190,203	\$ 624,005

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2022	
	Interfund Receivables	Interfund Payables
General Fund		\$ 9,362
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation	\$ 516	
Boating Safety and Enforcement	2,339	
Circuit Court Juvenile Division	450	351
American Rescue Plan Act	5,464	
Arkansas Department of Human Services - Division of Youth Services Title 11 Grant		450
AAC Veterans Court Grant	79	
AAC Adult Drug Court Grant	964	
AAC Juvenile Drug Court Grant	351	
Totals	\$ 10,163	\$ 10,163

Interfund receivables and payables consist of interfund loans. These balances were repaid in 2023.

NOTE 7: Federal Funds Program Compliance

Benton County's federal grants were in the process of being audited in accordance with federal program requirements as of the report date 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, 2022

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2022, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 20,262,399
Law enforcement			723,719
Public safety			761,607
Health			1,975,543
Recreation and culture			112,162
Social services			19,002,095
Capital outlay			31,084
Total Restricted			<u>42,868,609</u>
Committed for:			
Law enforcement			766,396
Capital outlay			549,321
Total Committed			<u>1,315,717</u>
Assigned to:			
General government			308,551
Law enforcement	\$ 385,459		334,845
Highways and streets		\$ 2,983,922	
Health			128,793
Social services	300,336		
Capital outlay			31,757,728
Total Assigned	<u>685,795</u>	<u>2,983,922</u>	<u>32,529,917</u>
Unassigned	<u>28,113,142</u>		<u>(418,146)</u>
Totals	<u>\$ 28,798,937</u>	<u>\$ 2,983,922</u>	<u>\$ 76,296,097</u>

BENTON COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022

NOTE 9: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2022:

	December 31, 2022
Other Funds in the Aggregate:	
Special Revenue Funds:	
Arkansas Department of Human Services - Division of Youth Services Title 11 Grant	\$ (450)
AAC Veterans Court Grant	(5,000)
AAC Adult Drug Court Grant	(4,768)
Bureau of Justice Assistance Veteran's Treatment Court	(1,606)
Bureau of Justice Assistance Adult Drug Court	(3,403)
Reach Everyone to Achieve Community Health (REACH) Grant	(402,919)
Total	\$ (418,146)

These deficit fund balances were eliminated by transfers and/or revenues in 2023.

NOTE 10: 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, 2022, the legal debt limit for bonded debt was \$644,772,019. 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, 2022, the legal debt limit for short-term financing obligations was \$167,640,427. The amount of short-term financing obligations was \$1,735,818, leaving a legal debt margin of \$165,904,609.

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2022:

	December 31, 2022
Long-term liabilities	\$ 4,054,585
Construction contracts	1,402,308
Total Commitments	\$ 5,456,893

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11: Commitments (Continued)

Long-term Liabilities

Long-term liabilities at December 31, 2022, are comprised of the following:

	December 31, 2022
<u>Financed Purchases</u>	
Financed purchase dated September 1, 2020, with Regions Equipment Finance Corporation, Inc. in the amount of \$3,100,000 with interest rate of 1.59% for courthouse improvements. The County will make monthly payments of \$53,811 for 5 years. Payments to be made from the General Fund.	\$ 1,735,818
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	2,318,767
Total Long-term liabilities	\$ 4,054,585

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

The County's outstanding direct borrowings of \$1,735,818 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.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2022	Maturities to December 31, 2022
<u>Direct Borrowings</u>					
9/1/20	9/1/25	1.59%	\$ 3,100,000	\$ 1,735,818	\$ 1,364,182

Changes in Long-Term Debt

	Balance January 01, 2022	Issued	Retired	Balance December 31, 2022
<u>Direct Borrowings</u>				
Financed purchase	\$ 2,348,215	\$ 0	\$ 612,397	\$ 1,735,818

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11: Commitments (Continued)

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2022:

Years Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2023	\$ 622,343	\$ 23,392	\$ 645,735
2024	632,405	13,330	645,735
2025	481,070	3,231	484,301
Totals	<u>\$ 1,735,818</u>	<u>\$ 39,953</u>	<u>\$ 1,775,771</u>

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2022:

Project Name	Estimated Completion Date	Contract Balance December 31, 2022
Wagon Wheel Bridge	June 2024	\$ 200,651
E Gaice Road Bridge	October 2024	111,529
Courthouse Judicial Tower Restroom	February 2023	18,825
Jail Indoor Environmental Quality Projects	February 2024	1,071,303
Total Construction Contracts		<u>\$ 1,402,308</u>

NOTE 12: Interfund Transfers

The General Fund transferred \$300,000 to the Road Fund to supplement road operations and \$25,677,245 to the Other Funds in the Aggregate (\$25,353,170 for capital projects, \$14,075 for the County's matching portion of a federal highway grant, and \$310,000 to supplement operations). Other Funds in the Aggregate transferred \$2,800,000 to the General Fund for excess fees from the County's Recorders Cost Fund. Also, within Other Funds in the Aggregate, American Rescue Plan Act transferred \$10,000,000 to American Rescue Plan Revenue Replacement to allocate County's loss of revenue due to the Coronavirus pandemic. Additionally, Other Funds in the Aggregate (Drug Control) transferred \$8,000 and (Federal Forfeitures Fund-Judicial) transferred \$10,000 to the General Fund (Sheriff's Drug Buy Fund) for drug enforcement operations.

NOTE 13: Subsequent Events

On December 20, 2022, Benton County signed two lease agreements with Bentonville Rogers, LLC to lease a building and premises at 2111 West Walnut Street and 2117 West Walnut Street in Rogers, Arkansas for ten-year terms commencing on January 1, 2023, with the option to extend the term of the lease for three additional lease terms of three years per extension. Benton County shall pay the lessor monthly rental installments for a ten-year total of \$2,383,340 and \$2,825,009, respectively for each of the initial leases.

On January 9, 2023, Benton County signed a contract for construction services of \$2,259,468 with E & S Management Solutions, LLC for remodel of the leased property at 2111 West Walnut Street in Rogers, Arkansas. An amending contract was signed on May 17, 2023, to amend construction services to \$2,891,252.

On February 3, 2023, Benton County received \$2,400,000 of reallocated ERA2 funds.

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 13: Subsequent Events (Continued)

On June 8, 2023, Benton County signed a contract with Robertson Contractors, Inc. for \$3,721,582 for the Wagon Wheel Road Bridge Replacement project.

On August 11, 2023, Benton County returned \$19,134,570 of unspent Emergency Rental Assistance funds to the US Department of Treasury.

On April 15, 2024, Benton County signed a contract with Milestone Construction Company, LLC, for \$1,316,545 for the Benton County Administration Building remodel project.

NOTE 14: 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 \$36,604 in 2022 for their share of the prorated costs. Financial statements may be obtained at NWARPC, 1311 Clayton Street, Springdale, AR 72762.

NOTE 15: 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 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 \$47,357 were made to BCSWD during 2022 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.

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 \$22,970 in 2022 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 16: Joint Operation

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 2022. Financial activity of the Northwest Arkansas HIV Clinic is included in the financial statements of Washington County.

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 17: 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. The amount of settlements, if any, has not exceeded the insurance coverage for each of the past three years. 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.

Property Program – This program is a blanket policy with coverage up to \$50,000,000 for any one loss with a \$1,000 deductible. The County shall pay into the program each year a charge established by the Risk Management Fund Board for covered county property.

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.
- 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.

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 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 (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.

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 18: 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.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.25% as of July 1, 2022. 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, 2022, (date of APERS Employer Allocation Report) were \$5,511,422.

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, 2022, (actuarial valuation date and measurement date) was \$46,406,749.

NOTE 19: 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 \$817,187. Health Insurance claims, administered by Blue Advantage, in the amount of \$6,694,301 were paid from this account and the County contributed \$5,734,980 to this account. As of December 31, 2022, this account had a balance of \$342,515.

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 \$100,000.
2. Specific Deductible Amount of \$150,000 per covered person.

NOTE 20: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2021, the County was awarded \$54,219,867 in federal aid from the American Rescue Plan Act of 2021, and as of the report date, \$54,219,867 of this amount has been received. In 2022, the County was awarded \$50,000 in federal aid from the Local Assistance and Tribal Consistency Fund, which was a part of the American Rescue Plan Act of 2021.

On March 4, 2022, the County received additional funds in the amount of \$20,000,000 in federal aid from the Consolidated Appropriations Act of 2021 for rental assistances for residents of Benton County.

The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

BENTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

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	Child Support Cost	Communication Facility and Equipment	Drug Control
ASSETS									
Cash and cash equivalents	\$ 100,307	\$ 771,660	\$ 374,321	\$ 106,214	\$ 181,177	\$ 2,413,391	\$ 56,277	\$ 287,960	\$ 18,645
Accounts receivable			9,338		4,635	221,342	212	3,318	539
Interfund receivables	516								
TOTAL ASSETS	\$ 100,823	\$ 771,660	\$ 383,659	\$ 106,214	\$ 185,812	\$ 2,634,733	\$ 56,489	\$ 291,278	\$ 19,184
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 9	\$ 2,509	\$ 27,122	\$ 569	\$ 65				
Interfund payables									
Settlements pending									
Total Liabilities	9	2,509	27,122	569	65				
Fund Balances:									
Restricted	67,400	769,151	356,537	105,645	185,747	\$ 2,359,596	\$ 56,489	\$ 33,966	\$ 19,184
Committed									
Assigned	33,414					275,137		257,312	
Unassigned									
Total Fund Balances	100,814	769,151	356,537	105,645	185,747	2,634,733	56,489	291,278	19,184
TOTAL LIABILITIES AND FUND BALANCES	\$ 100,823	\$ 771,660	\$ 383,659	\$ 106,214	\$ 185,812	\$ 2,634,733	\$ 56,489	\$ 291,278	\$ 19,184

BENTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

SPECIAL REVENUE FUNDS

	Jail Operation and Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Medical Services Improvement District (EMSD) County Levy	Victim/Witness	Adult Drug Court	Public Safety	Circuit Court Juvenile Division	Alternative Placement Adolescent Center Juvenile Probation
ASSETS									
Cash and cash equivalents	\$ 243,605	\$ 4,169	\$ 715,556	\$ 2,037,691	\$ 39,471	\$ 41,169	\$ 1,220	\$ 235,973	\$ (30,700)
Accounts receivable	23,071	313	41,557	61,150	860	1,815	72	7,364	30,700
Interfund receivables		2,339						450	
TOTAL ASSETS	\$ 266,676	\$ 6,821	\$ 757,113	\$ 2,098,841	\$ 40,331	\$ 42,984	\$ 1,292	\$ 243,787	\$ 0
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		\$ 6,500	\$ 6	\$ 43,584		\$ 703		\$ 5,909	
Interfund payables								351	
Settlements pending									
Total Liabilities		6,500	6	43,584		703		6,260	
Fund Balances:									
Restricted	\$ 244,466	321	757,107	1,926,464		42,281	\$ 1,292	237,527	
Committed									
Assigned	22,210			128,793	\$ 40,331				
Unassigned									
Total Fund Balances	266,676	321	757,107	2,055,257	40,331	42,281	1,292	237,527	
TOTAL LIABILITIES AND FUND BALANCES	\$ 266,676	\$ 6,821	\$ 757,113	\$ 2,098,841	\$ 40,331	\$ 42,984	\$ 1,292	\$ 243,787	\$ 0

BENTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

SPECIAL REVENUE FUNDS									
	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Judicial Collections	Federal Forfeitures - Treasury Funds	Federal Forfeitures - Justice Funds	Northeast Benton County Emergency Medical Services District (EMSD) Volunteer Ambulance Service (VAS) Fee Levy	Historical Preservation	Arkansas Highway Safety Federal Grant
ASSETS									
Cash and cash equivalents	\$ 83,117	\$ 43,141	\$ 15,562,398	\$ 760,605	\$ 23,884	\$ 40,223	\$ 47,473	\$ 121,717	\$ 9,395
Accounts receivable	919	240		20,783		3,462	1,606	1,851	
Interfund receivables			5,464						
TOTAL ASSETS	\$ 84,036	\$ 43,381	\$ 15,567,862	\$ 781,388	\$ 23,884	\$ 43,685	\$ 49,079	\$ 123,568	\$ 9,395
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 38		\$ 119,986					\$ 11,406	
Interfund payables									
Settlements pending									
Total Liabilities	38		119,986					11,406	
Fund Balances:									
Restricted	83,998	\$ 43,381	15,447,876		\$ 23,884	\$ 43,685	\$ 49,079	112,162	\$ 9,395
Committed				\$ 766,396					
Assigned				14,992					
Unassigned									
Total Fund Balances	83,998	43,381	15,447,876	781,388	23,884	43,685	49,079	112,162	9,395
TOTAL LIABILITIES AND FUND BALANCES	\$ 84,036	\$ 43,381	\$ 15,567,862	\$ 781,388	\$ 23,884	\$ 43,685	\$ 49,079	\$ 123,568	\$ 9,395

BENTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

SPECIAL REVENUE FUNDS									
	Spay and Neuter Grant	Juvenile Detention Center State Grant Aid	Alternative Dispute Resolution Grant	Arkansas Department of Human Services - Division of Youth Services Title 11 Grant	Court Improvement Project	AAC Veterans Court Grant	AAC Adult Drug Court Grant	AAC Juvenile Drug Court Grant	AOC Juvenile Officer Grant
ASSETS									
Cash and cash equivalents	\$ 4,500	\$ 22,082	\$ 18,870	\$ (2,918)	\$ 18,000	\$ (5,000)	\$ (5,000)	\$ (1,900)	\$ 4,613
Accounts receivable				2,918				2,904	
Interfund receivables						79	964	351	
TOTAL ASSETS	\$ 4,500	\$ 22,082	\$ 18,870	\$ 0	\$ 18,000	\$ (4,921)	\$ (4,036)	\$ 1,355	\$ 4,613
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable						\$ 79	\$ 732	\$ 1,355	\$ 74
Interfund payables				\$ 450					
Settlements pending									
Total Liabilities				450		79	732	1,355	74
Fund Balances:									
Restricted	\$ 4,500	\$ 22,082	\$ 18,870		\$ 18,000				4,539
Committed									
Assigned									
Unassigned				(450)		(5,000)	(4,768)		
Total Fund Balances	4,500	22,082	18,870	(450)	18,000	(5,000)	(4,768)		4,539
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,500	\$ 22,082	\$ 18,870	\$ 0	\$ 18,000	\$ (4,921)	\$ (4,036)	\$ 1,355	\$ 4,613

BENTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

Schedule 1

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUND	
	AOC Supplemental Juvenile Court	Bureau of Justice Assistance Veteran's Treatment Court	Bureau of Justice Assistance Adult Drug Court	Emergency Rental Assistance I (ERA-1)	Reach Everyone to Achieve Community Health (REACH) Grant	Emergency Rental Assistance II (ERA-2)	American Rescue Plan Revenue Replacement Fund	Capital Projects
ASSETS								
Cash and cash equivalents	\$ 22,667	\$ (1,606)	\$ (3,403)	\$ 19,001,001		\$ 1,094	\$ 768,579	\$ 32,334,271
Accounts receivable								3,862
Interfund receivables								
TOTAL ASSETS	<u>\$ 22,667</u>	<u>\$ (1,606)</u>	<u>\$ (3,403)</u>	<u>\$ 19,001,001</u>		<u>\$ 1,094</u>	<u>\$ 768,579</u>	<u>\$ 32,338,133</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 440				\$ 402,919			
Interfund payables								
Settlements pending								
Total Liabilities	<u>440</u>				<u>402,919</u>			
Fund Balances:								
Restricted	22,227			\$ 19,001,001		\$ 1,094	\$ 768,579	\$ 31,084
Committed								549,321
Assigned								31,757,728
Unassigned		\$ (1,606)	\$ (3,403)		(402,919)			
Total Fund Balances	<u>22,227</u>	<u>(1,606)</u>	<u>(3,403)</u>	<u>19,001,001</u>	<u>(402,919)</u>	<u>1,094</u>	<u>768,579</u>	<u>32,338,133</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,667</u>	<u>\$ (1,606)</u>	<u>\$ (3,403)</u>	<u>\$ 19,001,001</u>	<u>\$ 0</u>	<u>\$ 1,094</u>	<u>\$ 768,579</u>	<u>\$ 32,338,133</u>

BENTON COUNTY, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2022

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
ASSETS								
Cash and cash equivalents	\$ 288,677	\$ 2,603,311	\$ 1,586,920	\$ 611,015	\$ 3,594,481	\$ 14,367,148	\$ 62,075	\$ 99,579,536
Accounts receivable								444,831
Interfund receivables								10,163
TOTAL ASSETS	\$ 288,677	\$ 2,603,311	\$ 1,586,920	\$ 611,015	\$ 3,594,481	\$ 14,367,148	\$ 62,075	\$ 100,034,530
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								\$ 624,005
Interfund payables								801
Settlements pending	\$ 288,677	\$ 2,603,311	\$ 1,586,920	\$ 611,015	\$ 3,594,481	\$ 14,367,148	\$ 62,075	23,113,627
Total Liabilities	288,677	2,603,311	1,586,920	611,015	3,594,481	14,367,148	62,075	23,738,433
Fund Balances:								
Restricted								42,868,609
Committed								1,315,717
Assigned								32,529,917
Unassigned								(418,146)
Total Fund Balances								76,296,097
TOTAL LIABILITIES AND FUND BALANCES	\$ 288,677	\$ 2,603,311	\$ 1,586,920	\$ 611,015	\$ 3,594,481	\$ 14,367,148	\$ 62,075	\$ 100,034,530

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, 2022

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	Child Support Cost	Communication Facility and Equipment	Drug Control
REVENUES									
State aid				\$ 91,305					
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs			\$ 89,163						\$ 13,657
Interest	\$ 518	\$ 9,092	4,172	1,788	\$ 2,013	\$ 53,736	\$ 656	\$ 3,231	200
Officers' fees					58,040	2,667,371	6,034	40,055	
911 service fees									
Ambulance fees									
Treasurer's commission	150,000								
Collector's commission		600,000							
Other	1,284	4			1	24,985			
TOTAL REVENUES	151,802	609,096	93,335	93,093	60,054	2,746,092	6,690	43,286	13,857
Less: Treasurer's commission			280		190	9,097	20	131	47
NET REVENUES	151,802	609,096	93,055	93,093	59,864	2,736,995	6,670	43,155	13,810
EXPENDITURES									
Current:									
General government	87,487	560,775	27,870	166,582	18,224	5,000	1,822		
Law enforcement								9,189	
Highways and streets									
Public safety									
Health									
Recreation and culture									
Social services									
TOTAL EXPENDITURES	87,487	560,775	27,870	166,582	18,224	5,000	1,822	9,189	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	64,315	48,321	65,185	(73,489)	41,640	2,731,995	4,848	33,966	13,810
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out						(2,800,000)			(8,000)
TOTAL OTHER FINANCING SOURCES (USES)						(2,800,000)			(8,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	64,315	48,321	65,185	(73,489)	41,640	(68,005)	4,848	33,966	5,810
FUND BALANCES - JANUARY 1	36,499	720,830	291,352	179,134	144,107	2,702,738	51,641	257,312	13,374
FUND BALANCES - DECEMBER 31	<u>\$ 100,814</u>	<u>\$ 769,151</u>	<u>\$ 356,537</u>	<u>\$ 105,645</u>	<u>\$ 185,747</u>	<u>\$ 2,634,733</u>	<u>\$ 56,489</u>	<u>\$ 291,278</u>	<u>\$ 19,184</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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Jail Operation and Maintenance	Boating Safety and Enforcement	Emergency 911	Emergency Medical Services Improvement District (EMSD) County Levy	Victim/Witness	Adult Drug Court	Public Safety	Circuit Court Juvenile Division
REVENUES								
State aid		\$ 18,715		\$ 75,841			\$ 4,600	
Federal aid								
Property taxes				1,599,097				
Sales taxes								
Fines, forfeitures, and costs	\$ 231,421				\$ 51,412	\$ 15,561	396	\$ 26,535
Interest	2,839	11	\$ 7,729	306	3	469	12	2,655
Officers' fees								28,028
911 service fees			354,734					
Ambulance fees								
Treasurer's commission								
Collector's commission								
Other	7		69			1,691		6,981
TOTAL REVENUES	234,267	18,726	362,532	1,675,244	51,415	17,721	5,008	64,199
Less: Treasurer's commission	750	61	1,149		168	50	1	170
NET REVENUES	233,517	18,665	361,383	1,675,244	51,247	17,671	5,007	64,029
EXPENDITURES								
Current:								
General government								
Law enforcement	171,128	18,897			340,758	11,778	4,600	62,864
Highways and streets								
Public safety			273,134					
Health				406,648				
Recreation and culture								
Social services								
TOTAL EXPENDITURES	171,128	18,897	273,134	406,648	340,758	11,778	4,600	62,864
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	62,389	(232)	88,249	1,268,596	(289,511)	5,893	407	1,165
OTHER FINANCING SOURCES (USES)								
Transfers in					310,000			
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)					310,000			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	62,389	(232)	88,249	1,268,596	20,489	5,893	407	1,165
FUND BALANCES - JANUARY 1	204,287	553	668,858	786,661	19,842	36,388	885	236,362
FUND BALANCES - DECEMBER 31	\$ 266,676	\$ 321	\$ 757,107	\$ 2,055,257	\$ 40,331	\$ 42,281	\$ 1,292	\$ 237,527

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, 2022

Schedule 2

SPECIAL REVENUE FUNDS

	Alternative Placement Adolescent Center Juvenile Probation	Circuit Clerk Commissioner's Fee	Assessor's Late Assessment Fee	American Rescue Plan Act	Judicial Collections	Federal Forfeitures - Treasury Funds	Federal Forfeitures - Justice Funds	Northeast Benton County Emergency Medical Services District (EMSD) Volunteer Ambulance Service (VAS) Fee Levy
REVENUES								
State aid								
Federal aid				\$ 27,109,933				
Property taxes								
Sales taxes								
Fines, forfeitures, and costs					\$ 217,401		\$ 37,206	
Interest		\$ 991	\$ 480		8,383	\$ 288	436	\$ 874
Officers' fees		8,470	14,330					
911 service fees								
Ambulance fees								411,502
Treasurer's commission								
Collector's commission								
Other	\$ 216,884				3			
TOTAL REVENUES	216,884	9,461	14,810	27,109,933	225,787	288	37,642	412,376
Less: Treasurer's commission		25	47		706			
NET REVENUES	216,884	9,436	14,763	27,109,933	225,081	288	37,642	412,376
EXPENDITURES								
Current:								
General government		17,729	14,855	903,699				
Law enforcement	216,884			14,565,863	76,566	3,245		
Highways and streets				89,666				
Public safety				2,857,732				
Health				2,418,235				371,956
Recreation and culture								
Social services				5,004,746				
TOTAL EXPENDITURES	216,884	17,729	14,855	25,839,941	76,566	3,245		371,956
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(8,293)	(92)	1,269,992	148,515	(2,957)	37,642	40,420
OTHER FINANCING SOURCES (USES)								
Transfers in								
Transfers out				(10,000,000)			(10,000)	
TOTAL OTHER FINANCING SOURCES (USES)				(10,000,000)			(10,000)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		(8,293)	(92)	(8,730,008)	148,515	(2,957)	27,642	40,420
FUND BALANCES - JANUARY 1		92,291	43,473	24,177,884	632,873	26,841	16,043	8,659
FUND BALANCES - DECEMBER 31	\$ 0	\$ 83,998	\$ 43,381	\$ 15,447,876	\$ 781,388	\$ 23,884	\$ 43,685	\$ 49,079

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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS							
	Historical Preservation	Arkansas Highway Safety Federal Grant	Law Enforcement Training/Terrorism Prevention Grant	Spay and Neuter Grant	Juvenile Detention Center State Grant Aid	Alternative Dispute Resolution Grant	Arkansas Department of Human Services - Division of Youth Services Title 11 Grant	Court Improvement Project
REVENUES								
State aid				\$ 4,500	\$ 22,082	\$ 19,400		\$ 18,000
Federal aid		\$ 61,422	\$ 287,704				\$ 2,918	
Property taxes	\$ 34,231							
Sales taxes								
Fines, forfeitures, and costs								
Interest	1,571							
Officers' fees								
911 service fees								
Ambulance fees								
Treasurer's commission								
Collector's commission								
Other								
TOTAL REVENUES	35,802	61,422	287,704	4,500	22,082	19,400	2,918	18,000
Less: Treasurer's commission	108							
NET REVENUES	35,694	61,422	287,704	4,500	22,082	19,400	2,918	18,000
EXPENDITURES								
Current:								
General government			36,000					
Law enforcement		66,102			14,435	3,600	3,368	
Highways and streets								
Public safety			222,609					
Health								
Recreation and culture	87,443							
Social services								
TOTAL EXPENDITURES	87,443	66,102	258,609		14,435	3,600	3,368	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(51,749)	(4,680)	29,095	4,500	7,647	15,800	(450)	18,000
OTHER FINANCING SOURCES (USES)								
Transfers in		14,075						
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)		14,075						
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(51,749)	9,395	29,095	4,500	7,647	15,800	(450)	18,000
FUND BALANCES - JANUARY 1	163,911		(29,095)		14,435	3,070		
FUND BALANCES - DECEMBER 31	\$ 112,162	\$ 9,395	\$ 0	\$ 4,500	\$ 22,082	\$ 18,870	\$ (450)	\$ 18,000

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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS								
	AAC Veterans Court Grant	AAC Adult Drug Court Grant	AAC Juvenile Drug Court Grant	AOC Juvenile Officer Grant	AOC Supplemental Juvenile Court	Bureau of Justice Assistance Veteran's Treatment Court	Bureau of Justice Assistance Adult Drug Court	ACEDP Rambo Water District Grant	ACEDP COVID- 19 Rural Hospital Grant
REVENUES									
State aid			\$ 3,043	\$ 10,000	\$ 35,000				
Federal aid						\$ 75,244	\$ 54,234	\$ 52,258	\$ 600
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest									
Officers' fees									
911 service fees									
Ambulance fees									
Treasurer's commission									
Collector's commission									
Other									
TOTAL REVENUES			<u>3,043</u>	<u>10,000</u>	<u>35,000</u>	<u>75,244</u>	<u>54,234</u>	<u>52,258</u>	<u>600</u>
Less: Treasurer's commission									
NET REVENUES			<u>3,043</u>	<u>10,000</u>	<u>35,000</u>	<u>75,244</u>	<u>54,234</u>	<u>52,258</u>	<u>600</u>
EXPENDITURES									
Current:									
General government									
Law enforcement	\$ 5,000	\$ 5,000	3,043	9,740	12,773	76,850	57,637		
Highways and streets									
Public safety									
Health								52,258	600
Recreation and culture									
Social services									
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>3,043</u>	<u>9,740</u>	<u>12,773</u>	<u>76,850</u>	<u>57,637</u>	<u>52,258</u>	<u>600</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,000)</u>	<u>(5,000)</u>		<u>260</u>	<u>22,227</u>	<u>(1,606)</u>	<u>(3,403)</u>		
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(5,000)</u>	<u>(5,000)</u>		<u>260</u>	<u>22,227</u>	<u>(1,606)</u>	<u>(3,403)</u>		
FUND BALANCES - JANUARY 1		232		4,279					
FUND BALANCES - DECEMBER 31	<u>\$ (5,000)</u>	<u>\$ (4,768)</u>	<u>\$ 0</u>	<u>\$ 4,539</u>	<u>\$ 22,227</u>	<u>\$ (1,606)</u>	<u>\$ (3,403)</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, 2022

Schedule 2

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUND	
	Emergency Rental Assistance I (ERA-1)	Reach Everyone to Achieve Community Health (REACH) Grant	Emergency Rental Assistance II (ERA-2)	Community Health Workers Grant	American Rescue Plan Revenue Replacement Fund	Capital Projects	Totals
REVENUES							
State aid							\$ 302,486
Federal aid	\$ 20,000,000	\$ 1,311,370		\$ 828,746		\$ 16,651	49,801,080
Property taxes							1,633,328
Sales taxes						1,242,382	1,242,382
Fines, forfeitures, and costs							682,752
Interest					\$ 68,579	146,376	317,408
Officers' fees							2,822,328
911 service fees							354,734
Ambulance fees							411,502
Treasurer's commission							150,000
Collector's commission							600,000
Other						31,084	282,993
TOTAL REVENUES	20,000,000	1,311,370		828,746	68,579	1,436,493	58,600,993
Less: Treasurer's commission							13,000
NET REVENUES	20,000,000	1,311,370		828,746	68,579	1,436,493	58,587,993
EXPENDITURES							
Current:							
General government					3,022,510	726,810	5,589,363
Law enforcement					5,173,328		20,912,648
Highways and streets						98,113	187,779
Public safety					902,615		4,256,090
Health		1,714,289		828,746	10,200		5,802,932
Recreation and culture							87,443
Social services	1,000,000		\$ 132,000		191,347		6,328,093
TOTAL EXPENDITURES	1,000,000	1,714,289	132,000	828,746	9,300,000	824,923	43,164,348
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,000,000	(402,919)	(132,000)		(9,231,421)	611,570	15,423,645
OTHER FINANCING SOURCES (USES)							
Transfers in					10,000,000	25,353,170	35,677,245
Transfers out							(12,818,000)
TOTAL OTHER FINANCING SOURCES (USES)					10,000,000	25,353,170	22,859,245
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	19,000,000	(402,919)	(132,000)		768,579	25,964,740	38,282,890
FUND BALANCES - JANUARY 1	1,001		133,094			6,373,393	38,013,207
FUND BALANCES - DECEMBER 31	\$ 19,001,001	\$ (402,919)	\$ 1,094	\$ 0	\$ 768,579	\$ 32,338,133	\$ 76,296,097

BENTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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.
Child Support Cost	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	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency.

BENTON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Jail Operation and 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.
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 Improvement 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 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 that was established by Benton County Ordinance no. 85-15 (June 14, 1985). The County has also levied a 2.0 mill voluntary tax for the operations of the Emergency Medical Services.
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.
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.

BENTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Alternative Placement Adolescent Center Juvenile Probation	Established to account for revenues and expenses related to contracted professional services provided by Benton County Alternative Placement Adolescent Center (APAC) to Community Services Inc. (CSI) , including emergency shelter and case management services, for youth ages 13-17 in Judicial Districts served by CSI.
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.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), as part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
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 cost.
Federal Forfeitures - Treasury Funds	Established to account for federal forfeiture proceeds from cooperating state and local law enforcement agencies.
Federal Forfeitures - Justice Funds	Established to account for Equitable Sharing monies from the Justice funds as part of the Annual Equitable Sharing Agreement and Certification Process.
Northeast Benton County Emergency Medical Services District (EMSD) Volunteer Ambulance Service (VAS) Fee Levy	Benton County Ordinance no. 85-15 (June 14, 1985) established fund in accordance with Ark. Code Ann. § 20-13-301 to collect ambulance fees, within specified areas, to provide emergency medical services.
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.

BENTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Arkansas Highway Safety Federal Grant	Fund established to account for grant money from the State of Arkansas to promote highway safety initiatives against distracted driving.
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.
Spay and Neuter Grant	Established to account for grant money from the State of Arkansas for the Spay and Neuter program.
Juvenile Detention Center State Grant Aid	Established to account for grant money received from the State of Arkansas for operation and maintenance of the Juvenile Detention Center.
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.
Arkansas Department of Human Services Division of Youth Services Title 11 Grant	- Established to account for federal grant money received from the Arkansas Department of Human Services/Division of Youth Services for the implementation of alternatives to detention programs.
Court Improvement Project	Established to account for grant money from the State of Arkansas to enhance circuit court mediations in dependency neglect cases.
AAC Veterans 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.
AAC Juvenile Drug Court Grant	Established to account for grant money from the State of Arkansas to enhance the Juvenile Drug Court for substance-abusing juveniles.
AOC Juvenile Officer Grant	Established to account for grant money from the State of Arkansas to employ an additional officer to aid with substance abusing juveniles.
AOC Supplemental Juvenile Court	Established to account for grant money from the State of Arkansas to assist with Juvenile Court funding.

BENTON COUNTY, ARKANSAS
 NOTES TO SCHEDULES 1 AND 2
 DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
Bureau of Justice Assistance Veteran's Treatment Court	Established to account for grant money from the Department of Justice to assist veterans in treatment court programs.
Bureau of Justice Assistance Adult Drug Court	Established to account for federal grant money received from the Department of Justice to enhance the Adult Drug Court program for non-violent offenders who struggle with substance abuse and/or mental health issues.
ACEDP Rambo Water District Grant	Benton County Ordinance no. 2019-24 (July 25, 2019) established to account for grant funds received from Arkansas Community and Economic Development Program to install a new water line for the Rambo Water District service area.
ACEDP COVID-19 Rural Hospital Grant	Benton County Ordinance no. 2020-21 (May 28, 2020) established fund to account for grant funds received from Arkansas Community and Economic Development Program to assist with COVID-19 related expenses.
Emergency Rental Assistance I (ERA-1)	Benton County Ordinance no. 2021-03 (January 29, 2021) established fund to account for federal funds from the Consolidated Appropriations Act, 2021 and authorized the establishment of the Emergency Rental Assistance Program (ERAP) within the County. The ERAP will provide rental and utilities assistance to residents of Benton County that are unable to pay rent and utilities due the COVID-19 Pandemic.
Reach Everyone to Achieve Community Health (REACH) Grant	Benton County Ordinance no. 2021-29 (July 29, 2021) established fund to account for revenues and expenditures related to the REACH Grant received from the U.S. Department of Health and Human Services to promote public health within the County.
Emergency Rental Assistance II (ERA-2)	Benton County Ordinance no. 2021-32 (August 26, 2021) established fund to account for federal funds from the Consolidated Appropriations Act, 2021 and authorized the establishment of the Emergency Rental Assistance Program (ERAP) within the County. The ERAP will provide rental and utilities assistance to residents of Benton County that are unable to pay rent and utilities due the COVID-19 Pandemic.
Community Health Workers Grant	Benton County Ordinance no. 2021-34 (September 30, 2021) established fund to account for revenues and expenditures of the Community Health Workers grant.
American Rescue Plan Revenue Replacement	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), as part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.

BENTON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2022

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

<u>Fund Name</u>	<u>Fund Description</u>
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.

Excess Commissions consists of Treasurer's and Collector's excess commissions and Excess Assessor's expense that has not been distributed.

County Judge's Planning Board consists of planning fees not remitted to treasurer.

BENTON COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2022
(Unaudited)

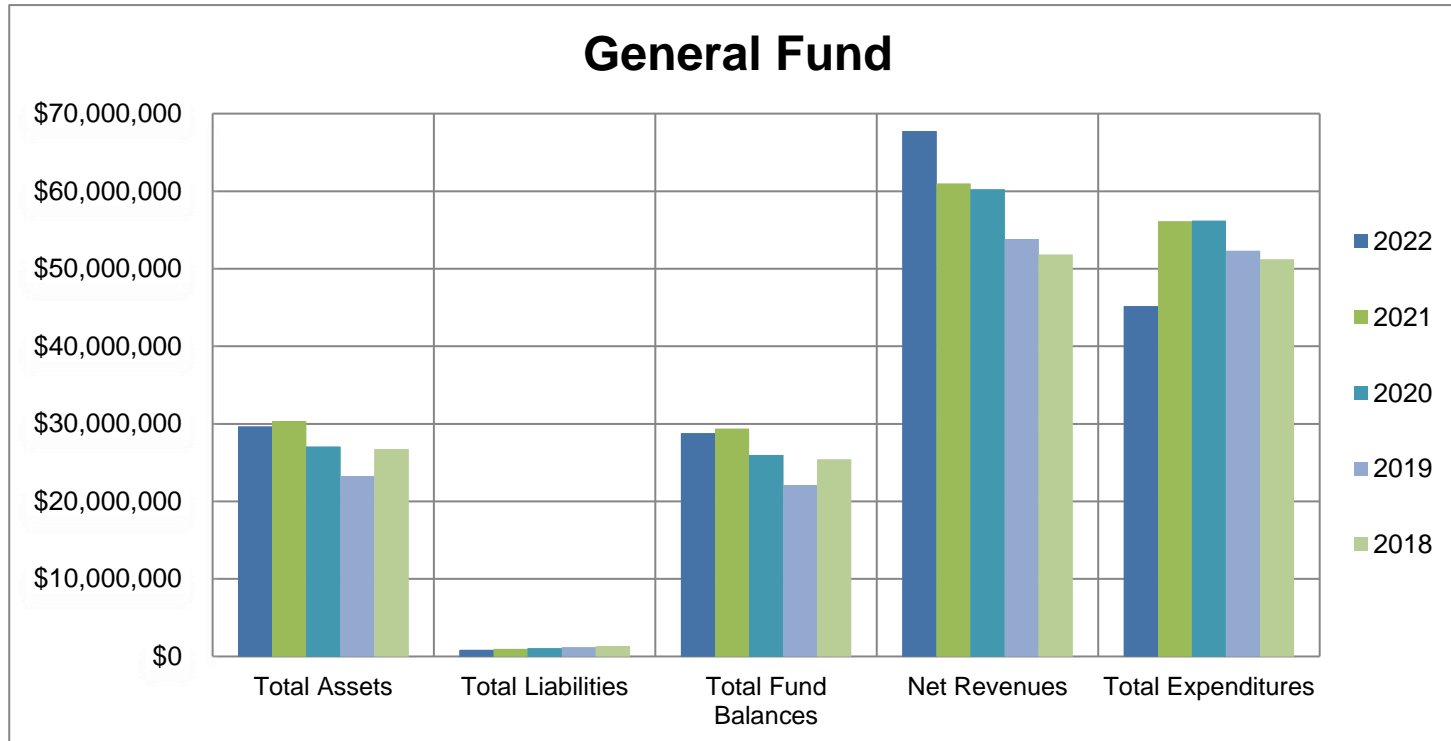
Schedule 3

	<u>December 31, 2022</u>
Land	\$ 5,091,804
Buildings	50,115,982
Equipment	<u>49,565,145</u>
Total	<u><u>\$ 104,772,931</u></u>

BENTON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 4-1

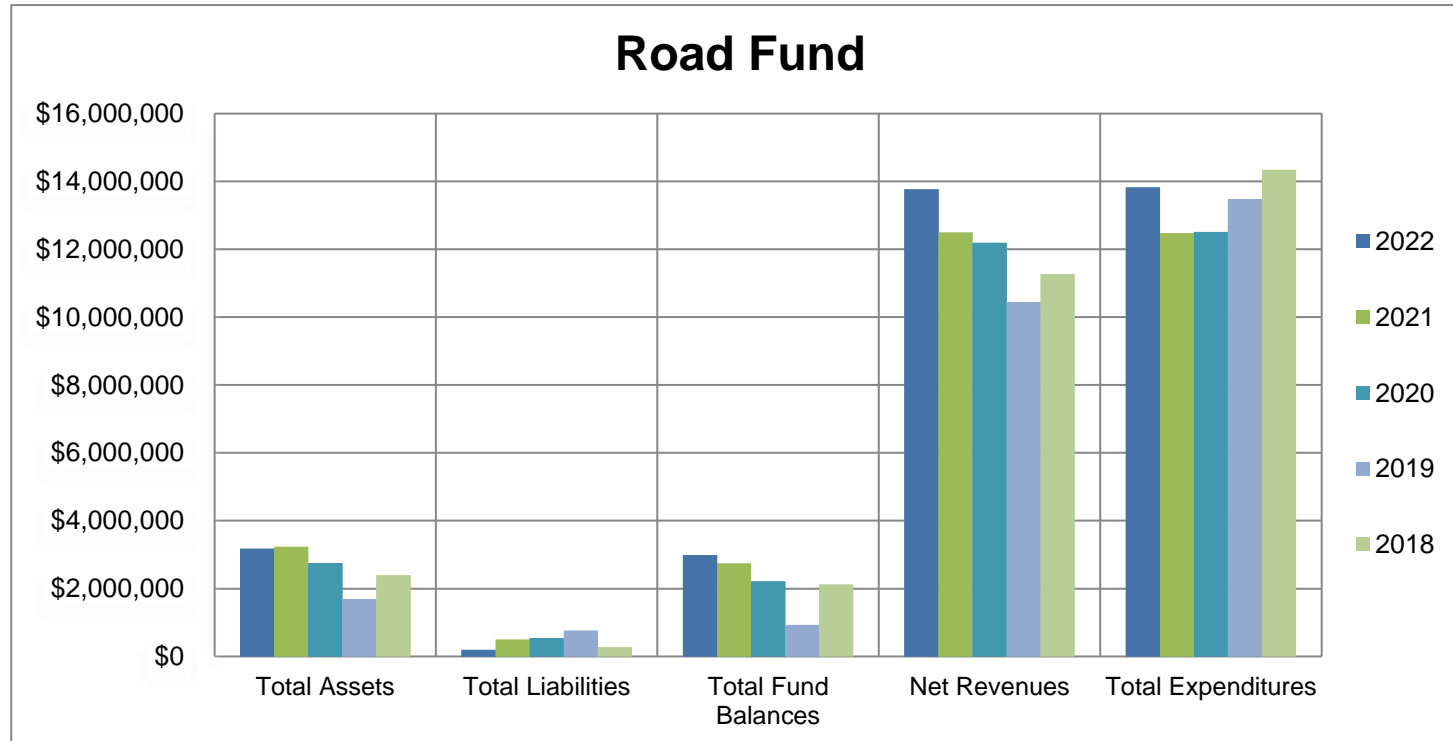
<u>General</u>	2022	2021	2020	2019	2018
Total Assets	\$ 29,656,903	\$ 30,347,865	\$ 27,033,405	\$ 23,259,989	\$ 26,739,810
Total Liabilities	857,966	977,309	1,065,909	1,165,784	1,334,019
Total Fund Balances	28,798,937	29,370,556	25,967,496	22,094,205	25,405,791
Net Revenues	67,752,684	60,979,160	60,222,123	53,815,026	51,793,730
Total Expenditures	45,165,058	56,107,058	56,203,974	52,302,918	51,180,962
Total Other Financing Sources/Uses	(23,159,245)	(1,469,042)	(144,858)	(4,823,694)	1,226,313



BENTON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 4-2

<u>Road</u>	2022	2021	2020	2019	2018
Total Assets	\$ 3,174,125	\$ 3,229,464	\$ 2,754,076	\$ 1,696,866	\$ 2,388,366
Total Liabilities	190,203	493,072	542,147	763,773	271,918
Total Fund Balances	2,983,922	2,736,392	2,211,929	933,093	2,116,448
Net Revenues	13,767,482	12,494,727	12,189,237	10,443,335	11,262,371
Total Expenditures	13,819,952	12,470,264	12,510,401	13,486,690	14,343,657
Total Other Financing Sources/Uses	300,000	500,000	1,600,000	1,860,000	2,452,480



BENTON COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2022
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2022	2021	2020	2019	2018
Total Assets	\$ 100,034,530	\$ 60,644,134	\$ 29,978,865	\$ 26,016,273	\$ 25,859,726
Total Liabilities	23,738,433	22,630,927	18,648,043	17,690,141	19,030,436
Total Fund Balances	76,296,097	38,013,207	11,330,822	8,326,132	6,829,290
Net Revenues	58,587,993	52,558,930	9,325,096	8,700,909	8,148,324
Total Expenditures	43,164,348	26,823,537	7,965,264	10,167,761	9,846,583
Total Other Financing Sources/Uses	22,859,245	946,992	1,644,858	2,963,694	791,412

