

Benton County, Arkansas
Regulatory Basis Financial Statements
and Other Reports

December 31, 2018

LEGISLATIVE JOINT AUDITING COMMITTEE



BENTON COUNTY, ARKANSAS
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Arkansas

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Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Benton County, Arkansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412, as described in Note 1, to meet the requirements permitted by the State of Arkansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Benton County, Arkansas, as of December 31, 2018, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, road fund, and other funds in the aggregate of Benton County, Arkansas, as of December 31, 2018, 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.

Other Matters

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
March 31, 2020
LOCO00418

Arkansas

Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, road fund, and other funds in the aggregate of Benton County, Arkansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2020. We issued an adverse opinion because the financial statements are prepared by the County on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, road fund, and other funds in the aggregate were unmodified.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We also reported to management of the County in a separate letter dated March 31, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Marti Steel". The signature is written in a cursive, flowing style.

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 31, 2020

Arkansas

Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
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Roger A. Norman, JD, CPA, CFE, CFF
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 2018:

County Judge: Barry Moehring
Treasurer: Deanna Ratcliffe
Sheriff: Shawn Holloway
Tax Collector: Gloria Peterson
County Clerk: Tena O'Brien
Circuit Clerk: Brenda DeShields
Assessor: Roderick Grieve

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

Other Matter

Two unauthorized withdrawals of \$2,411 and \$1,002 were made from County bank accounts on May 18, 2018 and November 8, 2018, respectively. Entity personnel discovered the unauthorized withdrawals upon review of the affected bank accounts, and the funds were recovered from the bank.

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

A handwritten signature in cursive script that reads "Marti Steel".

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 31, 2020

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BENTON COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018

	General	Road	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 19,718,490	\$ 2,074,352	\$ 25,090,928
Investments	5,165,072		
Accounts receivable	1,490,185	310,380	717,024
Interfund receivables	366,063	3,634	51,774
TOTAL ASSETS	\$ 26,739,810	\$ 2,388,366	\$ 25,859,726
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,321,727	\$ 264,966	\$ 667,239
Interfund payables	12,292	6,952	402,227
Settlements pending			17,960,970
Total Liabilities	1,334,019	271,918	19,030,436
Fund Balances:			
Restricted			4,582,450
Committed		2,116,448	203,350
Assigned	329,337		2,196,293
Unassigned	25,076,454		(152,803)
Total Fund Balances	25,405,791	2,116,448	6,829,290
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,739,810	\$ 2,388,366	\$ 25,859,726

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, 2018

	General	Road	Other Funds in the Aggregate
REVENUES			
State aid	\$ 3,196,641	\$ 5,910,460	\$ 176,617
Federal aid	246,224	807,647	1,029,979
Property taxes	24,988,182	3,521,939	1,605,189
Sales taxes	8,610,753		1,009,696
Fines, forfeitures, and costs	1,839,416	6,852	636,521
Interest	254,909	19,402	92,102
Officers' fees	653,837		2,407,973
Franchise fees	137,884		
Commissary commission	197,374		
Jail fees	1,977,788		
Local permits and fees	422,521		
911 service fees	706,197		520,787
Insurance premiums collected	1,275,392		
Ambulance service fees			31,727
Sanitation fees	225		
Sale of property and equipment	755,839	849,280	
Treasurer's commission	301,879		
Collector's commission	1,385,293		599,160
Taxes apportioned - Assessor's salary and expense	3,894,749		
Other	1,054,974	171,360	47,267
TOTAL REVENUES	51,900,077	11,286,940	8,157,018
Less: Treasurer's commission	106,347	24,569	8,694
NET REVENUES	51,793,730	11,262,371	8,148,324
EXPENDITURES			
Current:			
General government	19,918,502		3,096,959
Law enforcement	27,775,158		2,618,364
Highways and streets		14,343,657	222,563
Public safety	2,665,891		1,433,623
Sanitation	443,339		
Health	26,803		2,442,512
Recreation and culture			32,562
Social services	351,269		
TOTAL EXPENDITURES	51,180,962	14,343,657	9,846,583

BENTON COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Road	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 612,768	\$ (3,081,286)	\$ (1,698,259)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,350,400	2,452,480	3,022,712
Transfers out	(5,475,192)		(2,350,400)
Loan proceeds	4,351,105		119,100
TOTAL OTHER FINANCING SOURCES (USES)	1,226,313	2,452,480	791,412
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,839,081	(628,806)	(906,847)
FUND BALANCES - JANUARY 1	23,566,710	2,745,254	7,736,137
FUND BALANCES - DECEMBER 31	\$ 25,405,791	\$ 2,116,448	\$ 6,829,290

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, 2018

Exhibit C

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 3,262,785	\$ 3,196,641	\$ (66,144)	\$ 5,895,179	\$ 5,910,460	\$ 15,281
Federal aid	255,903	246,224	(9,679)	1,712,547	807,647	(904,900)
Property taxes	24,958,257	24,988,182	29,925	3,497,243	3,521,939	24,696
Sales taxes	8,900,000	8,610,753	(289,247)			
Fines, forfeitures, and costs	1,885,746	1,839,416	(46,330)	15,750	6,852	(8,898)
Interest	229,170	254,909	25,739	350	19,402	19,052
Officers' fees	636,530	653,837	17,307			
Franchise fees	145,000	137,884	(7,116)			
Commissary commission	409,974	197,374	(212,600)			
Jail fees	2,250,000	1,977,788	(272,212)			
Local permits and fees	350,964	422,521	71,557			
911 service fees	500,000	706,197	206,197			
Insurance premiums collected	4,940,000	1,275,392	(3,664,608)			
Sanitation fees		225	225			
Sale of property and equipment	475,000	755,839	280,839		849,280	849,280
Treasurer's commission	420,000	301,879	(118,121)			
Collector's commission	1,850,000	1,385,293	(464,707)			
Taxes apportioned - Assessor's salary and expense	4,500,000	3,894,749	(605,251)			
Other	3,596,558	1,054,974	(2,541,584)	1,159,577	171,360	(988,217)
TOTAL REVENUES	59,565,887	51,900,077	(7,665,810)	12,280,646	11,286,940	(993,706)
Less: Treasurer's commission	843,985	106,347	737,638	218,750	24,569	194,181
NET REVENUES	58,721,902	51,793,730	(6,928,172)	12,061,896	11,262,371	(799,525)
EXPENDITURES						
Current:						
General government	27,541,205	19,918,502	7,622,703			
Law enforcement	32,102,049	27,775,158	4,326,891			
Highways and streets				16,029,997	14,343,657	1,686,340
Public safety	2,923,545	2,665,891	257,654			
Sanitation	522,122	443,339	78,783			
Health	59,100	26,803	32,297			
Social services	373,710	351,269	22,441			
TOTAL EXPENDITURES	63,521,731	51,180,962	12,340,769	16,029,997	14,343,657	1,686,340

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, 2018

	General			Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,799,829)	\$ 612,768	\$ 5,412,597	\$ (3,968,101)	\$ (3,081,286)	\$ 886,815
OTHER FINANCING SOURCES (USES)						
Transfers in	4,990,619	2,350,400	(2,640,219)	2,452,480	2,452,480	0
Transfers out	(9,514,971)	(5,475,192)	4,039,779			
Loan proceeds		4,351,105	4,351,105			
TOTAL OTHER FINANCING SOURCES (USES)	(4,524,352)	1,226,313	5,750,665	2,452,480	2,452,480	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,324,181)	1,839,081	11,163,262	(1,515,621)	(628,806)	886,815
FUND BALANCES - JANUARY 1	19,000,000	23,566,710	4,566,710	1,135,511	2,745,254	1,609,743
FUND BALANCES - DECEMBER 31	\$ 9,675,819	\$ 25,405,791	\$ 15,729,972	\$ (380,110)	\$ 2,116,448	\$ 2,496,558

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

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BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 Fund Accounting

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, specific procedures for the identification of major governmental funds, and applicable note disclosures. The regulatory basis of presentation does not require government-wide financial statements or the previously identified concepts.

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

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

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

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

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

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

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

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

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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 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.

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value.

Settlements Pending

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

Fund Balance Classifications

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

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications (Continued)

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

E. Property Taxes

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

F. Budget Law

1. Legal Requirements

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

2. Accounting

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

G. Fund Balance Classification Policies and Procedures

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

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

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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)	\$ 16,945,835	\$ 16,945,565
Collateralized:		
Collateral held by the County's agent, pledging bank or pledging bank's trust department or agent in the County's name	29,926,570	31,001,622
Total Deposits	<u>\$ 46,872,405</u>	<u>\$ 47,947,187</u>

The above total deposits do not include cash on hand of \$11,365.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2018 Fair Value
General Fund	<u>\$ 5,165,072</u>

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

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

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4: Public Fund Investments (Continued)

The County's investments are composed of the following:

<u>December 31, 2018</u>	<u>Other Observable</u>
<u>Investment Type</u>	<u>Inputs</u>
	<u>Level II</u>
Mortgage Backed Government CMO Securities	<u>\$ 5,165,072</u>

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

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

Mortgaged Backed Securities – As of December 31, 2018, the County held mortgage backed securities with a fair value of \$5,165,072. The overall return or yield on mortgage backed securities depends on the amount of interest collected over the life of the security and the change in the market value. Although, the County will receive the full amount of principal if prepaid, the interest income that would have been collected during the remaining period to maturity, net of any market adjustment is lost. Accordingly, the yields and maturities of mortgage backed securities generally depend on when the underlying mortgage loan principal and interest are repaid. If market rates fall below a mortgage loan's contractual rate, it is generally to the borrower's advantage to repay the existing and obtain new lower financing. In addition to changes in interest rates, mortgage loan prepayments depend on other factors such as loan types and geographic location of the related properties. At December 31, 2018, the County held no mortgage backed securities that were considered as highly sensitive to changes in interest rates.

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Federal aid	\$ 49,253		\$ 216,061
Property taxes		\$ 136,509	968
Sales taxes	793,001		
Fines, forfeitures, and costs	96,388	570	44,060
Interest	35		619
Officers' fees	27,776		209,397
Franchise fees	34,350		
Jail fees	275,673		
Local permits and fees	26,080		
911 service fees			135,539
Collector's commission			42,547
Taxes apportioned - Assessor's salary and expense			4,682
Other	187,629	1,986	1,068
Treasurer's commission charged		171,315	62,083
Totals	<u>\$ 1,490,185</u>	<u>\$ 310,380</u>	<u>\$ 717,024</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2018, is composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Vendor payables	<u>\$ 1,321,727</u>	<u>\$ 264,966</u>	<u>\$ 667,239</u>

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2018	
	Interfund Receivables	Interfund Payables
General Fund	\$ 366,063	\$ 12,292
Road Fund	3,634	6,952
Other Funds in the Aggregate:		
Special Revenue Funds:		
Treasurer's Automation		158
Collector's Automation		235
Emergency 911		290
Victim Witness		291
Drug Court		237
Judicial Collections		400
State Homeland Security Grant FY 13		229
Law Enforcement Training/Terrorism Prevention Grant		71,717
Juvenile Detention Center State Grant Aid		985
Substance Abuse and Mental Health Services Administr:	42,879	327,520
AAC Adult Drug Court Grant	237	165
Capital Projects	8,658	
	<u>\$ 421,471</u>	<u>\$ 421,471</u>

Interfund receivables and payables consist of interfund loans. These balances were repaid by January 2, 2019.

NOTE 8: Federal Funds Program Compliance

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

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2018, are composed of the following:

Description	General Fund	Road Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			\$ 1,735,451
Law enforcement			781,407
Public safety			1,756,950
Health			79,046
Recreation and culture			229,596
Total Restricted			<u>4,582,450</u>
Committed for:			
Law enforcement			<u>203,350</u>
Assigned to:			
General government			212,006
Law enforcement	\$ 329,337		96,752
Highways and streets		\$ 2,116,448	
Health			128,793
Capital outlay			1,758,742
Total Assigned	<u>329,337</u>	<u>2,116,448</u>	<u>2,196,293</u>
Unassigned	<u>25,076,454</u>		<u>(152,803)</u>
Totals	<u>\$ 25,405,791</u>	<u>\$ 2,116,448</u>	<u>\$ 6,829,290</u>

NOTE 10: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2018:

	December 31, 2018
Other Funds in the Aggregate:	
Special Revenue Funds:	
State Homeland Security Grant FY 13	\$ (229)
Substance Abuse and Mental Health Services Administration - Drug Court Grant	<u>(152,574)</u>
Total	<u>\$ (152,803)</u>

These deficit fund balances were eliminated by transfers and/or revenues in 2019.

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 11: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The County is subject to a constitutional limitation for bonded indebtedness equal to 10% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2018, the legal debt limit for bonded debt was \$510,940,337. 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, 2018, the legal debt limit for short-term financing obligations was \$133,067,648. The amount of short-term financing obligations was \$4,470,205, leaving a legal debt margin of \$128,597,443.

NOTE 12: Commitments

Total commitments consist of the following at December 31, 2018:

	December 31, 2018
Long-term liabilities	\$ 6,020,193
Construction contracts	1,813,650
Total Commitments	<u>\$ 7,833,843</u>

Long-term Liabilities

Long-term liabilities at December 31, 2018, are comprised of the following:

	December 31, 2018
Promissory note dated January 29, 2018, with Regions Capital Advantage, Inc. in the amount of \$2,470,205 with interest rate of 2.05% for the purchase of election equipment. Annual payments of \$494,041 plus interest for 5 years. Payments are to be made from the General Fund.	\$ 2,470,205
Promissory note dated November 30, 2018, with Regions Capital Advantage, Inc. in the amount of \$2,000,000 with interest rate of 3.17% for the purchase of radio equipment. Annual payments of \$438,831 for 5 years. Payments are to be made from the General Fund.	2,000,000
Compensated absences	1,549,988
Total Long-term liabilities	<u>\$ 6,020,193</u>

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

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 12: Commitments (Continued)

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The County is obligated for the following amounts at December 31, 2018:

Years Ending December 31,	Notes
2019	\$ 984,215
2020	973,946
2021	963,762
2022	953,409
2023	943,140
Total Obligations	4,818,472
Less Interest	348,267
Total Principal	<u>\$ 4,470,205</u>

Construction Contracts

The County was contractually obligated for the following construction contracts at December 31, 2018:

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2018
Justice Center	August 2019	\$ 504,000 *
Coroner Building	June 2019	321,690
Spanker Creek Bridge	May 2019	929,682
Cow Face Bridge	April 2020	58,278
Total Construction Contracts		<u>\$ 1,813,650</u>

* See Subsequent Events Note (Note 19) for negotiated change in outstanding construction contract balance.

NOTE 13: Interfund Transfers

The General Fund transferred \$2,452,480 to the Road Fund to supplement road operations and \$3,022,712 to the Other Funds in the Aggregate to supplement operations and for capital projects. Other Funds in the Aggregate transferred \$2,350,400 to the General Fund in excess County Recorder's Cost Fund.

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 14: Jointly Governed Organization

Benton County Solid Waste District

Benton County and the Cities in Benton County entered into an agreement pursuant to Ark. Code Ann. § 8-6-723, creating the Benton County Solid Waste District (BCSWD). The BCSWD was established in an effort to adequately, reliably, and economically dispose of the Cities' and County's solid waste. The majority of funding for the BCSWD comes from user fees and operating grants. Payments totaling \$109,135 were made to the BCSWD during 2018 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 \$15,000 in 2018 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 15: 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 exceeded the insurance coverage by \$1,450,000 for 2018 from a lawsuit filed against the county in 2017 (See Note 18). There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

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

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

Vehicle Program

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

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 15: Risk Management (Continued)

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

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

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

NOTE 16: 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. 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, 2018 (date of APERS Employer Allocation Report) were \$4,010,278.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is 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, 2018 (actuarial valuation date and measurement date) was \$32,019,457.

BENTON COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 17: 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 \$1,219,273. Health Insurance claims, administered by Blue Advantage, in the amount of \$5,481,919 were paid from this account and the County contributed \$4,279,650 to this account. As of December 31, 2018, this account had a balance of \$1,623.

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 \$75,000.
2. Specific Deductible Amount of \$150,000 per covered person.

NOTE 18: Lawsuit Settlement

On September 27, 2018, the Quorum Court approved Benton County Ordinance no. O-2018-40 to appropriate additional expenditures for the settlement of a lawsuit for the 2017 road sweeper accident claim. The County agreed to pay \$1,450,000 in settlement with Risk Management paying an additional \$50,000.

NOTE 19: Subsequent Events

In 2019, the County sales tax vote failed, and the initial justice center project was discontinued and negotiated from an outstanding contract balance of \$504,000 to a remaining outstanding balance of \$25,000. Construction was completed in August 2019.

The Cow Face Bridge construction contract was awarded to Crossland Heavy Contractors, Inc. on August 28, 2019, for \$934,186 and scheduled for completion in 2020.

In August 2019, Benton County received \$1,235,102 from the State of Arkansas for the cost of new voting equipment purchased during 2018. The reimbursed funds were applied to the financed election equipment note.

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The extent of the impact of COVID-19 on the financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak, revenue collections, and any other possible issues – all of which are uncertain and cannot be predicted. The financial impact of COVID-19 to the County is uncertain.

BENTON COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS

	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Support Collections Costs	Communication Facility and Equipment	Jail Maintenance
ASSETS									
Cash and cash equivalents	\$ 59,754	\$ 489,998	\$ 158,720	\$ 205,522	\$ 179,051	\$ 645,611	\$ 35,902	\$ 164,217	\$ 6,221
Accounts receivable			4,708		4,180	213,561	165	3,821	32,472
Interfund receivables									
TOTAL ASSETS	\$ 59,754	\$ 489,998	\$ 163,428	\$ 205,522	\$ 183,231	\$ 859,172	\$ 36,067	\$ 168,038	\$ 38,693
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 202	\$ 2,144	\$ 629	\$ 647			\$ 759		\$ 108
Interfund payables	158	235							
Settlements pending									
Total Liabilities	360	2,379	629	647			759		108
Fund Balances:									
Restricted	25,394	487,619	162,799	204,875	\$ 183,231	\$ 681,166	35,308	\$ 146,948	
Committed									
Assigned	34,000					178,006		21,090	38,585
Unassigned	59,394	487,619	162,799	204,875	183,231	859,172	35,308	168,038	38,585
Total Fund Balances	\$ 59,754	\$ 489,998	\$ 163,428	\$ 205,522	\$ 183,231	\$ 859,172	\$ 36,067	\$ 168,038	\$ 38,693
TOTAL LIABILITIES AND FUND BALANCES									

BENTON COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2018

SPECIAL REVENUE FUNDS

	Boating Safety and Enforcement	Emergency 911	Emergency Medical Services District (EMSD) County Levy	Victim/Witness	Drug Court	Public Safety	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Judicial Collections
ASSETS									
Cash and cash equivalents	\$ 14,598	\$ 1,617,428	\$ 325,064	\$ 7,431	\$ 45,711	\$ 2,371	\$ 348,229	\$ 76,253	\$ 206,399
Accounts receivable	317	142,778	47,559	899	1,903	60	7,460	25,517	12,384
Interfund receivables									
TOTAL ASSETS	\$ 14,915	\$ 1,760,206	\$ 372,623	\$ 8,330	\$ 47,614	\$ 2,431	\$ 355,689	\$ 101,770	\$ 218,783
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 2,116	\$ 4,431	\$ 243,830	\$ 105	\$ 3,397		\$ 8,676	\$ 1,520	\$ 41
Interfund payables		290		291	237				400
Settlements pending									
Total Liabilities	2,116	4,721	243,830	396	3,634		8,676	1,520	441
Fund Balances:									
Restricted		1,755,485			43,980	\$ 2,431	347,013	100,250	203,350
Committed	12,799		128,793	7,934					14,992
Assigned									
Unassigned									
Total Fund Balances	12,799	1,755,485	128,793	7,934	43,980	2,431	347,013	100,250	218,342
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,915	\$ 1,760,206	\$ 372,623	\$ 8,330	\$ 47,614	\$ 2,431	\$ 355,689	\$ 101,770	\$ 218,783

BENTON COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2018

Schedule 1

SPECIAL REVENUE FUNDS

	SPECIAL REVENUE FUNDS									
	North East									
	Federal Forfeitures	Benton County Emergency Medical Services District (EMSD)	Historical Preservation	State Homeland Security Grant FY 13	Law Enforcement Training/Terrorism Prevention Grant	Juvenile Detention Center State Grant Aid	Juvenile Accountability Block Grant (JABG)	Alternative Dispute Resolution Grant	Court Improvement Program Grant	
ASSETS										
Cash and cash equivalents	\$ 26,319	\$ 96,657	\$ 228,197		\$ 73,182	\$ 13,963	\$ 7,694	\$ 10,400	\$ 1,577	
Accounts receivable		1,467	1,399							
Interfund receivables										
TOTAL ASSETS	\$ 26,319	\$ 98,124	\$ 229,596		\$ 73,182	\$ 13,963	\$ 7,694	\$ 10,400	\$ 1,577	
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable		\$ 19,164			\$ 71,717	\$ 975	\$ 83			
Interfund payables				\$ 229		985				
Settlements pending										
Total Liabilities		19,164		229	71,717	1,960	83			
Fund Balances:										
Restricted	\$ 26,319	78,960	\$ 229,596		1,465	12,003	6,259	10,400	\$ 1,577	
Committed							1,352			
Assigned				(229)						
Unassigned				(229)						
Total Fund Balances	26,319	78,960	229,596	(229)	1,465	12,003	7,611	10,400	1,577	
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,319	\$ 98,124	\$ 229,596	\$ 0	\$ 73,182	\$ 13,963	\$ 7,694	\$ 10,400	\$ 1,577	

BENTON COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2018

SPECIAL REVENUE FUNDS

	Adult Drug Court Discretionary Grant FY 13	Substance Abuse and Mental Health Services Administration - Drug Court Grant	Benton County Veterans Treatment Court Grant	Drug Control	AAC Veteran's Court Grant	AAC Adult Drug Court Grant	Assessor's Late Assessment Fee	Arkansas Economic Development Septic System Installation Project Grant
ASSETS								
Cash and cash equivalents	\$ 10		\$ 1,091	\$ 19,507	\$ 885		\$ 17,408	\$ 86
Accounts receivable		\$ 142,879		113			200	
Interfund receivables		42,879				\$ 237		
TOTAL ASSETS	\$ 10	\$ 185,758	\$ 1,091	\$ 19,620	\$ 885	\$ 237	\$ 17,608	\$ 86
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 10,812				\$ 165		
Interfund payables		327,520						
Settlements pending								
Total Liabilities		338,332				165		
Fund Balances:								
Restricted	\$ 10		\$ 1,091	\$ 19,620	\$ 885	72	\$ 17,608	\$ 86
Committed								
Assigned		(152,574)						
Unassigned	10	(152,574)	1,091	19,620	885	72	17,608	86
Total Fund Balances	\$ 10	\$ 185,758	\$ 1,091	\$ 19,620	\$ 885	\$ 237	\$ 17,608	\$ 86
TOTAL LIABILITIES AND FUND BALANCES								

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BENTON COUNTY, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2018

CAPITAL PROJECTS FUND		AGENCY FUNDS							
	Capital Projects	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	\$ 2,117,684	\$ 117,835	\$ 1,328,492	\$ 737,767	\$ 135,556	\$ 4,351,854	\$ 11,243,923	\$ 45,543	\$ 25,090,928
Accounts receivable									717,024
Interfund receivables	8,658								51,774
TOTAL ASSETS	\$ 2,126,342	\$ 117,835	\$ 1,328,492	\$ 737,767	\$ 135,556	\$ 4,351,854	\$ 11,243,923	\$ 45,543	\$ 25,859,726
LIABILITIES AND FUND BALANCES									
Liabilities:	\$ 367,600								\$ 667,239
Accounts payable									402,227
Interfund payables									
Settlements pending		\$ 117,835	\$ 1,328,492	\$ 737,767	\$ 135,556	\$ 4,351,854	\$ 11,243,923	\$ 45,543	17,960,970
Total Liabilities	367,600	117,835	1,328,492	737,767	135,556	4,351,854	11,243,923	45,543	19,030,436
Fund Balances:									
Restricted									4,582,450
Committed									203,350
Assigned	1,758,742								2,196,293
Unassigned									(152,803)
Total Fund Balances	1,758,742								6,829,290
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,126,342	\$ 117,835	\$ 1,328,492	\$ 737,767	\$ 135,556	\$ 4,351,854	\$ 11,243,923	\$ 45,543	\$ 25,859,726

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, 2018

SPECIAL REVENUE FUNDS									
	Treasurer's Automation	Collector's Automation	Circuit Court Automation	Assessor's Amendment no. 79	County Clerk's Cost	County Recorder's Cost	Support Collections Costs	Communication Facility and Equipment	Jail Maintenance
REVENUES				\$ 72,233					
State aid									
Federal aid									
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest	\$ 215	\$ 486	\$ 52,810	339	\$ 277	\$ 4,518	\$ 61	\$ 247	\$ 321,313
Officers' fees			243		50,083	2,225,898	2,599	42,877	97
911 service fees									
Ambulance service fees									
Collector's commission		599,160							
Other	845	50			2	26,929			617
TOTAL REVENUES	1,060	599,696	53,053	72,572	50,362	2,257,345	2,660	43,124	322,027
Less: Treasurer's commission			132		127	5,574	8	108	798
NET REVENUES	1,060	599,696	52,921	72,572	50,235	2,251,771	2,652	43,016	321,229
EXPENDITURES									
Current:									
General government	125,136	516,673	16,743	10,770	126,679		4,251		450,588
Law enforcement									
Highways and streets									
Public safety									
Health									
Recreation and culture									
TOTAL EXPENDITURES	125,136	516,673	16,743	10,770	126,679		4,251		450,588
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(124,076)	83,023	36,178	61,802	(76,444)	2,251,771	(1,599)	43,016	(129,359)
OTHER FINANCING SOURCES (USES)									
Transfers in	34,000								
Transfers out					119,100	(2,340,000)			
Loan proceeds									
TOTAL OTHER FINANCING SOURCES (USES)	34,000				119,100	(2,340,000)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(90,076)	83,023	36,178	61,802	42,656	(88,229)	(1,599)	43,016	(129,359)
FUND BALANCES - JANUARY 1	149,470	404,596	126,621	143,073	140,575	947,401	36,907	125,022	167,944
FUND BALANCES - DECEMBER 31	\$ 59,394	\$ 487,619	\$ 162,799	\$ 204,875	\$ 183,231	\$ 859,172	\$ 35,308	\$ 168,038	\$ 38,585

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, 2018

SPECIAL REVENUE FUNDS

	Boating Safety and Enforcement	Emergency 911	Emergency Medical Services District (EMSD) County Levy	Victim/Witness	Drug Court	Public Safety	Circuit Court Juvenile Division	Circuit Clerk Commissioner's Fee	Judicial Collections
REVENUES									
State aid	\$ 18,111		\$ 68,268						
Federal aid			1,223,232						
Property taxes									
Sales taxes									
Fines, forfeitures, and costs				\$ 51,412	\$ 16,717	\$ 554	\$ 25,808	\$	\$ 159,025
Interest	37	\$ 29,099	190	11	71	6	5,617	\$ 130	300
Officers' fees							42,247	32,817	
911 service fees		520,787							
Ambulance service fees									
Collector's commission									
Other		172	330	920	3,577	5,622	5,970		28
TOTAL REVENUES	18,148	550,058	1,292,020	52,343	20,365	6,182	80,642	32,947	159,353
Less: Treasurer's commission	45	1,036		129	43	2	174	19	403
NET REVENUES	18,103	549,022	1,292,020	52,214	20,322	6,180	80,468	32,928	158,950
EXPENDITURES									
Current:									
General government									
Law enforcement	34,945			202,829	18,516	8,122	142,284	10,970	94,648
Highways and streets									
Public safety		629,158							
Health			1,622,400						
Recreation and culture									
TOTAL EXPENDITURES	34,945	629,158	1,622,400	202,829	18,516	8,122	142,284	10,970	94,648
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,842)	(80,136)	(330,380)	(150,615)	1,806	(1,942)	(61,816)	21,958	64,302
OTHER FINANCING SOURCES (USES)									
Transfers in	20,000		373,419	152,408					
Transfers out									
Loan proceeds									
TOTAL OTHER FINANCING SOURCES (USES)	20,000		373,419	152,408					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,158	(80,136)	43,039	1,793	1,806	(1,942)	(61,816)	21,958	64,302
FUND BALANCES - JANUARY 1	9,641	1,835,621	85,754	6,141	42,174	4,373	408,829	78,292	154,040
FUND BALANCES - DECEMBER 31	\$ 12,799	\$ 1,755,485	\$ 128,793	\$ 7,934	\$ 43,980	\$ 2,431	\$ 347,013	\$ 100,250	\$ 218,342

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, 2018

SPECIAL REVENUE FUNDS									
	Federal Forfeitures	North East Benton County Emergency Medical Services District (EMSD)	Historical Preservation	State Homeland Security Grant FY 13	Law Enforcement Training/Terrorism Prevention Grant	Northeast Benton County (NEBCO) Rural Services Grant	Juvenile Detention Center State Grant Aid	Juvenile Accountability Block Grant (JABG)	
REVENUES									
State aid									
Federal aid		\$ 356,370	\$ 25,587	\$ 253,190	\$ 210,609	\$ 8,005	\$ 22,082	\$ 5,805	
Property taxes									
Sales taxes									
Fines, forfeitures, and costs									
Interest									
Officers' fees	\$ 43	206	3,710						
911 service fees									
Ambulance service fees		31,727							
Collector's commission									
Other									
TOTAL REVENUES	43	388,303	29,297	253,190	210,609	8,005	22,082	5,805	
Less: Treasurer's commission			62						
NET REVENUES	43	388,303	29,235	253,190	210,609	8,005	22,082	5,805	
EXPENDITURES									
Current:									
General government									
Law enforcement							33,908	5,272	
Highways and streets									
Public safety		371,317		253,190	209,144	8,005			
Health									
Recreation and culture			32,562						
TOTAL EXPENDITURES		371,317	32,562	253,190	209,144	8,005	33,908	5,272	
EXCESS OF REVENUES OVER (UNDER)									
EXPENDITURES	43	16,986	(3,327)		1,465		(11,826)	533	
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Loan proceeds									
TOTAL OTHER FINANCING SOURCES (USES)									
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)	43	16,986	(3,327)		1,465		(11,826)	533	
EXPENDITURES AND OTHER USES									
FUND BALANCES - JANUARY 1	26,276	61,974	232,923	(229)			23,829	7,078	
FUND BALANCES - DECEMBER 31	\$ 26,319	\$ 78,960	\$ 229,596	\$ (229)	\$ 1,465	\$ 0	\$ 12,003	\$ 7,611	

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, 2018

	SPECIAL REVENUE FUNDS						
	Alternative Dispute Resolution Grant	Court Improvement Program Grant	Adult Drug Court Discretionary Grant FY 13	Substance Abuse and Mental Health Services Administration - Drug Court Grant	Benton County Veterans Treatment Court Grant	Drug Control	Assessor/Collector General Improvement
REVENUES							
State aid	\$ 10,000			\$ 478,743			
Federal aid							
Property taxes							
Sales taxes						\$ 7,882	
Fines, forfeitures, and costs						28	
Interest							
Officers' fees							
911 service fees							
Ambulance service fees							
Collector's commission							
Other							
				1,759			
TOTAL REVENUES	10,000			480,502		7,910	
						5	
	10,000			480,502		7,905	
Less: Treasurer's commission							
NET REVENUES							
EXPENDITURES							
Current:							
General government	7,400						\$ 337
Law enforcement							\$ 55
Highways and streets							
Public safety							
Health				389,246			
Recreation and culture							
	7,400			389,246			337
TOTAL EXPENDITURES	2,600			91,256		7,905	(337)
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES							
OTHER FINANCING SOURCES (USES)							
Transfers in	(400)					(10,000)	
Transfers out							
Loan proceeds							
TOTAL OTHER FINANCING SOURCES (USES)	(400)					(10,000)	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)							
EXPENDITURES AND OTHER USES							
	2,200			91,256		(2,095)	(337)
FUND BALANCES - JANUARY 1	8,200	\$ 1,577	\$ 10	(243,830)	\$ 1,091	21,715	337
FUND BALANCES - DECEMBER 31	\$ 10,400	\$ 1,577	\$ 10	\$ (152,574)	\$ 1,091	\$ 19,620	\$ 885

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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, 2018

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	
	AAC Adult Drug Court Grant	AAC Juvenile Court Grant	Assessor's Late Assessment Fee	Arkansas Economic Development Septic System Installation Project Grant	Capital Projects
REVENUES					Totals
State aid				\$ 59,550	\$ 176,617
Federal aid					1,029,979
Property taxes					1,605,189
Sales taxes				\$ 1,009,696	1,009,696
Fines, forfeitures, and costs					636,521
Interest					92,102
Officers' fees			\$ 20		2,407,973
911 service fees			11,452		520,787
Ambulance service fees					31,727
Collector's commission					599,160
Other					47,267
				446	
TOTAL REVENUES			11,472	59,550	8,157,018
Less: Treasurer's commission			29		8,694
NET REVENUES			11,443	59,550	8,148,324
EXPENDITURES					
Current:					
General government	\$ 27,099	\$ 5,152			3,096,959
Law enforcement					2,618,364
Highways and streets					222,563
Public safety					1,433,623
Health				59,549	2,442,512
Recreation and culture					32,562
TOTAL EXPENDITURES	27,099	5,152		59,549	9,846,583
EXCESS OF REVENUES OVER (UNDER)	(27,099)	(5,152)	11,443	1	(1,698,259)
EXPENDITURES					
OTHER FINANCING SOURCES (USES)					
Transfers in					3,022,712
Transfers out					(2,350,400)
Loan proceeds					119,100
TOTAL OTHER FINANCING SOURCES (USES)					791,412
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)	(27,099)	(5,152)	11,443	1	(906,847)
EXPENDITURES AND OTHER USES					
FUND BALANCES - JANUARY 1	27,171	5,152	6,165	85	7,736,137
FUND BALANCES - DECEMBER 31	\$ 72	\$ 0	\$ 17,608	\$ 86	\$ 6,829,290

BENTON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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 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 at least 35% of fees collected by county clerks to be used to purchase, maintain, and operate an automated records system.
County Recorder's Cost	Ark. Code Ann. § 21-6-306 established fund to receive at least 25% of the fees collected by circuit clerks to be used to purchase, maintain, and operate an automated records system.
Support Collections Costs	Ark. Code Ann. § 9-10-109 established fund to receive fees to offset administrative costs in the Clerk's office.
Communication Facility and Equipment	Ark. Code Ann. §§ 21-6-307, 12-41-105 established fund to receive 25% of sheriff's fees collected and phone commission funds to be used for communications equipment and repair and to train operations staff.
Jail Maintenance	Ark. Code Ann. § 16-17-129 allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
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.

BENTON COUNTY, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Emergency Medical Services District (EMSD) County Levy	Benton County Ordinance no. 2014-51 (July 24, 2014) established an ambulance service improvement district within Benton County as authorized by Ark. Code Ann. § 14-282-102 to provide for the availability of emergency medical services by a .2 mill levy for the unincorporated area of Benton County, not including that portion of the County which is included in the Northeast Benton County Emergency Medical Service District, which was established by Benton County Ordinance no. 85-15 (June 14, 1985).
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.
Drug Court	Ark. Code Ann. § 16-98-304 established fund to receive program user fees set by drug court judges to be used for the benefit and administration of the drug court program.
Public Safety	Ark. Code Ann. § 27-34-108 established fund to receive 25% of the district court fines levied for violations of the Child Passenger Protection Code to be used for promotion of public safety.
Circuit Court Juvenile Division	Ark. Code Ann. §§ 16-13-326, 9-27-367 established fund to receive juvenile fees, court costs, and fines to provide services and supplies to juveniles at the discretion of the juvenile division of circuit court.
Circuit Clerk Commissioner's Fee	Ark. Code Ann. § 21-6-412 established fund to receive fee awarded, when appointed as Commissioner, for a sale of real or personal property under judicial decree. The funds are to be used to offset administrative costs associated with the performance of the Commissioner's duties and for general operations expense of the office of Circuit Clerk.
Judicial Collections	Benton County Ordinance no. 2001-62 (October 25, 2001) established fund to account for 30% of funds collected as circuit court fines which are to be used for the collection of delinquent circuit court fines and costs.
Federal Forfeitures	Established to account for federal forfeiture proceeds from cooperating state and local law enforcement agencies.
North East Benton County Emergency Medical Services District (EMSD)	Benton County Ordinance no. 85-15 (June 14, 1985) established fund in accordance with Ark. Code Ann. § 20-13-301 to collect fees, within specified areas, to be used to provide emergency medical services.
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, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
State Homeland Security Grant FY 13	Grants received from Arkansas Department of Emergency Management for the purpose of planning, purchasing equipment, training, and exercise activities.
Law Enforcement Training/Terrorism Prevention Grant	Established to account for federal grant which provides law enforcement communities with enhanced capabilities for detecting, deferring, disrupting, and preventing acts of terrorism.
Northeast Benton County (NEBCO) Rural Services Grant	Established to account for the proceeds of grants received for the benefit of Northeast Benton County (NEBCO) Rural Fire Department.
Juvenile Detention Center State Grant Aid	Established to account for grant money received from the State of Arkansas for the operation and maintenance of the Juvenile Detention Center.
Juvenile Accountability Block Grant (JABG)	Established to account for the proceeds of a grant received from the Department of Justice to be used for personnel and training costs.
Alternative Dispute Resolution Grant	Established to account for grant from Arkansas Alternative Dispute Resolution Commission to promote and implement the use of alternative dispute resolution in the State of Arkansas.
Court Improvement Program Grant	Benton County Ordinance no. 2015-37 (July 27, 2015) established fund to account for the Court Improvement Program Grant to support the H. E. L. P. program.
Adult Drug Court Discretionary Grant FY 13	Established to account for grant from the U. S. Department of Justice to enhance the Adult Drug Courts for substance-abusing adults.
Substance Abuse and Mental Health Services Administration - Drug Court Grant	Established to account for Federal grant money received from the State of Arkansas for therapy for substance abuse.
Benton County Veterans Treatment Court Grant	Established to account for grant from the Northwest Arkansas Economic Development District to increase the awareness, staff knowledge, and incentive provided in Veterans Treatment Courts.
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, 2018

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

<u>Fund Name</u>	<u>Fund Description</u>
Assessor/Collector General Improvement	Established to account for grant from the Northwest Arkansas Economic Development District to upgrade the Geographic Information System (GIS) in the assessor's office.
AAC Veteran's Court Grant	Established to account for grant money from the State of Arkansas to assist veterans in court matters.
AAC Adult Drug Court Grant	Established to account for grant money from the State of Arkansas to enhance the Adult Drug Court for substance-abusing adults.
AAC Juvenile Court Grant	Established to account for grant money from the State of Arkansas to enhance the Juvenile Drug Court for substance-abusing juveniles.
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.
Arkansas Economic Development Septic System Installation Project Grant	Established to account for federal grant money received from the Arkansas Economic Development Commission for the improvement of septic systems in rural areas.
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 consist of Treasurer's and Collector's excess commissions and Excess Assessor's expense that have not been distributed.	
County Judge's Planning Board consists of planning fees not remitted to Treasurer.	

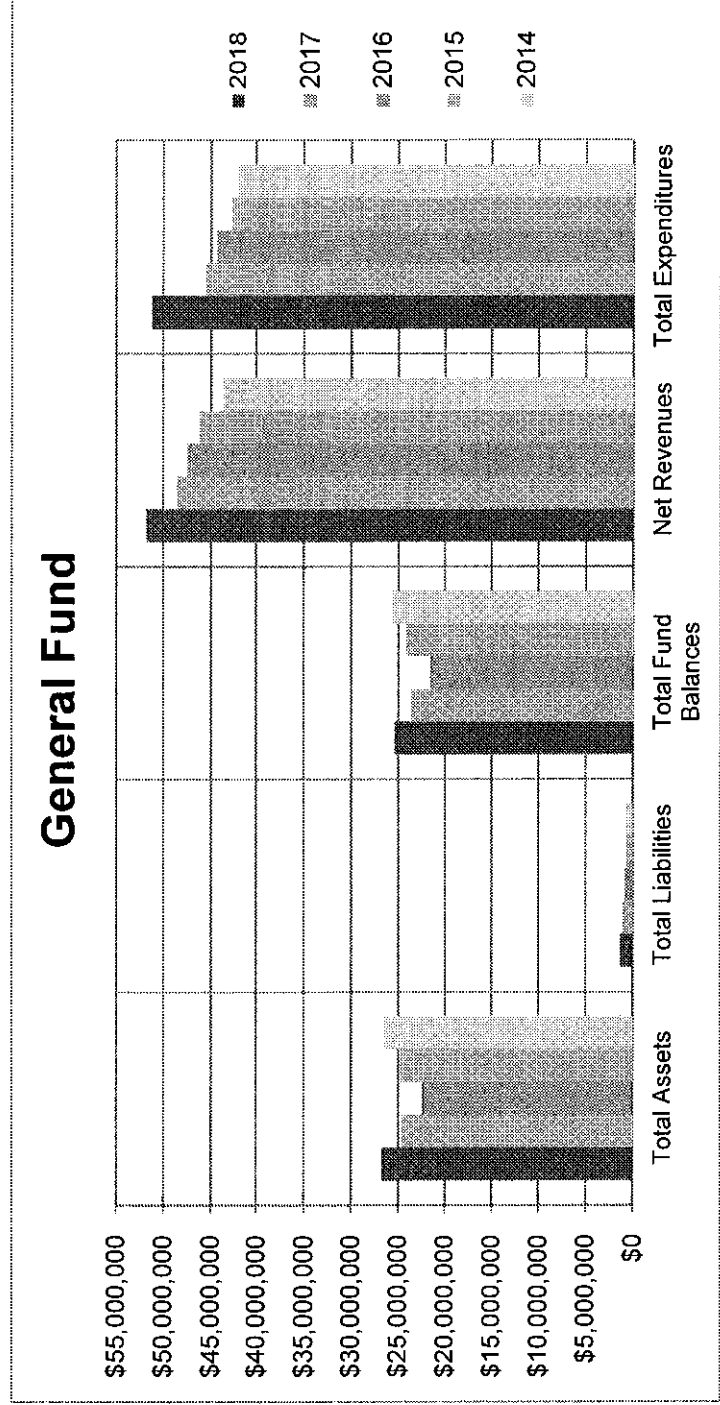
BENTON COUNTY, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2018
(Unaudited)

Schedule 3

	December 31, 2018
Land	\$ 5,091,804
Buildings	45,551,096
Equipment	40,498,071
Construction in progress	372,081
Total	<u>\$ 91,513,052</u>

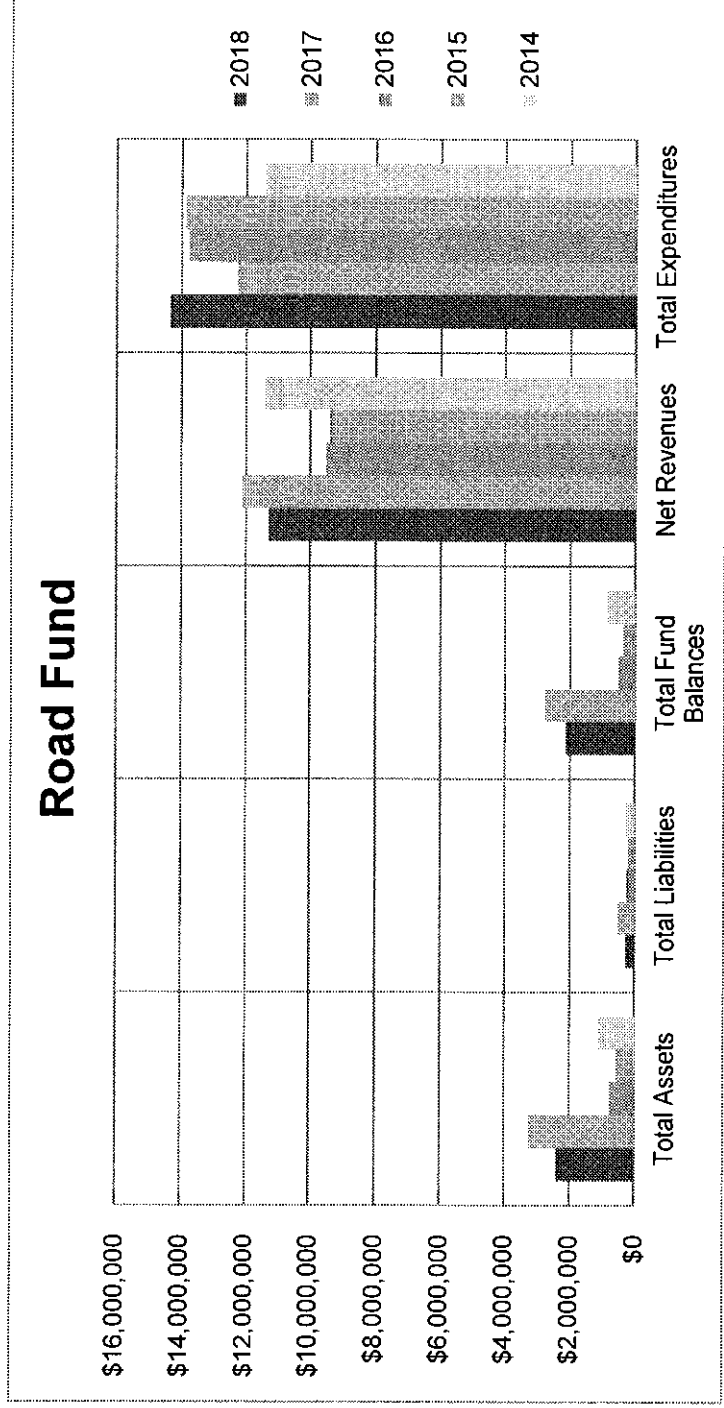
BENTON COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2018
(Unaudited)

<u>General</u>	2018	2017	2016	2015	2014
Total Assets	\$ 26,739,810	\$ 24,668,040	\$ 22,455,760	\$ 24,747,935	\$ 26,517,919
Total Liabilities	1,334,019	1,101,330	828,882	633,997	784,777
Total Fund Balances	25,405,791	23,566,710	21,626,878	24,113,938	25,733,142
Net Revenues	51,793,730	48,607,038	47,454,103	46,109,918	43,689,610
Total Expenditures	51,180,962	45,586,708	44,376,005	42,710,047	42,052,549
Total Other Financing Sources/Uses	1,226,313	(1,077,498)	(5,565,158)	(5,219,693)	1,100,782



BENTON COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - ROAD FUND - REGULATORY BASIS
DECEMBER 31, 2018
(Unaudited)

<u>Road</u>	2018	2017	2016	2015	2014
Total Assets	\$ 2,388,366	\$ 3,256,989	\$ 748,696	\$ 552,958	\$ 1,100,571
Total Liabilities	271,918	511,735	257,688	184,774	250,412
Total Fund Balances	2,116,448	2,745,254	491,008	368,184	850,159
Net Revenues	11,262,371	12,102,041	9,537,679	9,420,131	11,405,252
Total Expenditures	14,343,657	12,282,795	13,764,855	13,897,314	11,364,427
Total Other Financing Sources/Uses	2,452,480	2,435,000	4,350,000	3,995,208	



BENTON COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2018
(Unaudited)

<u>Other Funds in the Aggregate</u>	2018	2017	2016	2015	2014
Total Assets	\$ 25,859,726	\$ 23,409,839	\$ 25,231,294	\$ 24,619,478	\$ 21,622,416
Total Liabilities	19,030,436	15,673,702	16,533,638	16,740,551	15,671,035
Total Fund Balances	6,829,290	7,736,137	8,697,656	7,878,927	5,951,381
Net Revenues	8,148,324	9,419,241	10,086,225	7,078,144	7,664,453
Total Expenditures	9,846,583	9,023,258	10,482,654	6,174,465	6,987,365
Total Other Financing Sources/Uses	791,412	(1,357,502)	1,215,158	1,224,485	(1,100,782)

