

City of Benton, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF BENTON, ARKANSAS
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Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

City of Benton, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of Benton, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2024; the related Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis; the Statement of Revenues, Expenditures, and Change in Fund Balances – Budget and Actual – General and Street 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, street fund, and other funds in the aggregate of the City of Benton, Arkansas as of December 31, 2024; the regulatory basis revenues, expenditures, and changes in fund balance; and the budgetary comparisons for the general fund and street 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, street fund, and other funds in the aggregate of the City of Benton, Arkansas, as of December 31, 2024, or the revenues, expenditures, and changes in fund balance 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 Financial Statements section of our report. We are required to be independent of the City, 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 City 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, the City would have included another fund under accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. However, under the regulatory basis, this fund is not required to be included as part of the reporting entity. 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 City'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 City'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 City'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

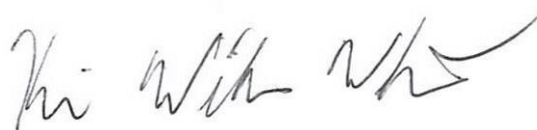
Management is responsible for the other information included in the report. The other information is comprised of the schedules listed in the table of contents but does not include the regulatory basis financial statements, supplemental information, and our auditor's reports thereon. Our opinions on 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 August 25, 2025, on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 25, 2025
LOM100924

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
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

City of Benton, Arkansas Officials and Council 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, street fund, and other funds in the aggregate of City of Benton, Arkansas (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated August 25, 2025. We issued an adverse opinion because the financial statements are prepared by the City 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, street 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 City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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

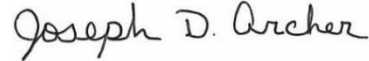
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 City in a separate letter dated August 25, 2025.

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

A handwritten signature in dark ink that reads "Joseph D. Archer". The signature is written in a cursive, flowing style.

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 25, 2025

Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

City of Benton, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

The commentary contained in this letter relates to the following officials who held office during 2024:

Mayor: Tom Farmer
City Clerk: Cindy Stracener
Treasurer: Vacant
Chief Financial Officer: Mandy Spicer
District Court Clerk: Leah Moone
Police Chief/Marshal: Scotty L. Hodges
Advertising and Promotion Commission President: Bill Eldridge

No issues came to our attention that we considered necessary to report to management.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the City Council (or local governing body) and City 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 "Joseph D. Archer".

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 25, 2025

CITY OF BENTON, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2024

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 6,992,232	\$ 12,676,269	\$ 28,154,221
Investments			9,185,087
Accounts receivable	1,289,445	408,462	1,535,633
Interfund receivables	2,928	616	
TOTAL ASSETS	<u>\$ 8,284,605</u>	<u>\$ 13,085,347</u>	<u>\$ 38,874,941</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 159,350	\$ 70,013	\$ 599,534
Interfund payables	616		2,928
Settlements pending			203,487
Total Liabilities	<u>159,966</u>	<u>70,013</u>	<u>805,949</u>
Fund Balances:			
Restricted	30,877	12,196,006	36,313,033
Committed	900	819,328	1,705,363
Assigned	3,245,548		50,596
Unassigned	4,847,314		
Total Fund Balances	<u>8,124,639</u>	<u>13,015,334</u>	<u>38,068,992</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,284,605</u>	<u>\$ 13,085,347</u>	<u>\$ 38,874,941</u>

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

CITY OF BENTON, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 664,912	\$ 2,999,227	\$ 37,380
Federal aid	101,199		13,927
Property taxes	1,976,559	1,058,377	705,555
Franchise fees	2,324,658		861,938
Sales taxes	10,954,678	2,738,670	13,693,348
Fines, forfeitures, and costs	377,381		391,369
Interest	177,295	516,031	1,218,281
Local permits and fees	878,355	990,562	1,438,843
Advertising and promotion taxes			2,129,927
Rental income	129,502		461,512
Employer contributions			473,167
Employee contributions	499,933		152,650
School resource officer reimbursement	32,780		
Donations			265,970
Sale of equipment			15,130
Net increase/(decrease) in fair value of investments			738,298
Other	26,220	32,320	33,015
TOTAL REVENUES	18,143,472	8,335,187	22,630,310
EXPENDITURES			
Current:			
General government	3,828,789		2,207,860
Law enforcement	6,602,650		4,210,416
Highways and streets		7,774,767	157,288
Public safety	5,425,712		2,376,987
Sanitation			790
Recreation and culture	55,487		8,293,331
Water and sewer			355,817
Total Current	15,912,638	7,774,767	17,602,489
Debt Service:			
Bond principal			1,095,000
Bond interest and other charges			1,544,856
Financed purchase principal			131,621
Financed purchase interest			11,536
TOTAL EXPENDITURES	15,912,638	7,774,767	20,385,502

CITY OF BENTON, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,230,834	\$ 560,420	\$ 2,244,808
OTHER FINANCING SOURCES (USES)			
Transfers in	1,127,877		2,159,315
Transfers out	(2,159,198)		(1,127,994)
Transfer to State of Arkansas local police and fire retirement system			(732,326)
Proceeds from sale of land			799,625
TOTAL OTHER FINANCING SOURCES (USES)	(1,031,321)		1,098,620
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,199,513	560,420	3,343,428
FUND BALANCES - JANUARY 1	6,925,126	12,454,914	34,725,564
FUND BALANCES - DECEMBER 31	\$ 8,124,639	\$ 13,015,334	\$ 38,068,992

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

CITY OF BENTON, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 565,040	\$ 664,912	\$ 99,872	\$ 6,600,000	\$ 2,999,227	\$ (3,600,773)
Federal aid		101,199	101,199			
Property taxes	1,897,562	1,976,559	78,997	1,016,551	1,058,377	41,826
Franchise fees	2,350,000	2,324,658	(25,342)			
Sales taxes	11,013,137	10,954,678	(58,459)	2,753,284	2,738,670	(14,614)
Fines, forfeitures, and costs	367,425	377,381	9,956			
Interest	30,000	177,295	147,295	182,000	516,031	334,031
Local permits and fees	824,155	878,355	54,200	981,000	990,562	9,562
Rental income		129,502	129,502			
School resource officer reimbursement		499,933	499,933			
Donations		32,780	32,780			
Other	738,299	26,220	(712,079)	500	32,320	31,820
TOTAL REVENUES	17,785,618	18,143,472	357,854	11,533,335	8,335,187	(3,198,148)
EXPENDITURES						
Current:						
General government	5,305,248	3,828,789	1,476,459			
Law enforcement	9,736,314	6,602,650	3,133,664			
Highways and streets				10,637,276	7,774,767	2,862,509
Public safety	7,869,228	5,425,712	2,443,516			
Recreation and culture		55,487	(55,487)			
TOTAL EXPENDITURES	22,910,790	15,912,638	6,998,152	10,637,276	7,774,767	2,862,509
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,125,172)	2,230,834	7,356,006	896,059	560,420	(335,639)
OTHER FINANCING SOURCES (USES)						
Transfers in	5,024,845	1,127,877	(3,896,968)			
Transfers out	(670,000)	(2,159,198)	(1,489,198)	(265,000)		265,000
TOTAL OTHER FINANCING SOURCES (USES)	4,354,845	(1,031,321)	(5,386,166)	(265,000)		265,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(770,327)	1,199,513	1,969,840	631,059	560,420	(70,639)
FUND BALANCES - JANUARY 1		6,925,126	6,925,126	11,550,000	12,454,914	12,454,914
FUND BALANCES - DECEMBER 31	\$ (770,327)	\$ 8,124,639	\$ 8,894,966	\$ 12,181,059	\$ 13,015,334	\$ 12,384,275

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

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Benton was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. Under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government Accounting Standards Board*, the following fund of the City would have been included in the reporting entity: Benton Municipal Light and Water Works. However, under Arkansas's regulatory basis described below, inclusion of this fund is not required and this fund is not included in this report.

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 street 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 the actual expenditures for the general and street 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.

Street Fund - The Street 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 Street Fund accounts for and reports the proceeds of state highway turnback, property taxes, sales taxes, and local permits and fees that are restricted or committed for maintaining and constructing highways and streets.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all funds included in the financial statements except for the General and Street 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.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. See Schedules 1 and 2 for Debt Service Funds as reported with other funds in the aggregate.

Pension Trust Funds - Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans. See Schedules 1 and 2 for the Pension Trust 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.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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. 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. Pension trust funds are reported in a separate column as a part of supplementary information in order to provide users a better understanding of the entity as a whole.

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, and advertising and promotion taxes 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 City Council (passage of an ordinance).
3. Assigned fund balance - amounts that are constrained by the City Council'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.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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. Property taxes reflected as revenues on the financial statements include the property tax relief distribution made by the State of Arkansas. The purpose of this distribution is to reimburse the municipality for property tax credits in accordance with Arkansas Code.

F. Budget Law

State law requires that these procedures be followed in establishing the budgetary data:

- a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is discussed at a City Council meeting prior to adoption.
- c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.
- d. Appropriations lapse at the end of each year.
- e. Under certain conditions, the budget may be amended subsequent to the year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

Basis of Accounting

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

G. Fund Balance Classification Policies and Procedures

The Municipality's highest level of decision-making authority is its City Council. 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 City Council through passage of an ordinance. The City Council is authorized to assign amounts to a specific purpose, although a formal policy has not been established.

The Municipality 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 Municipality 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.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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)	\$ 1,104,505	\$ 1,104,505
Collateralized:		
Collateral held by the pledging financial institution's trust department or agent in the City's name	42,471,434	43,683,978
Uninsured and uncollateralized	4,243,793	4,243,793
Total Deposits	<u>\$ 47,819,732</u>	<u>\$ 49,032,276</u>

The above total deposits do not include cash on hand of \$2,990.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits. A formal policy for custodial credit risk has not been adopted by the City. As of December 31, 2024, \$4,243,793 of the City's cash balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal 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.

Pension Trust Funds

State law generally requires that pension funds be deposited in banks. Pension funds may be invested in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust, in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state. State law also provides that if the total assets of the pension trust fund exceed \$100,000, the board may employ an investment advisor to invest the assets, subject to terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System.

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2024 Fair Value
Pension Trust - City Employees' Pension	<u>\$ 9,185,087</u>

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4: Public Fund Investments (Continued)

Investments are reported at fair value. Governmental Accounting Standards Board 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.)

The City's investments are composed of the following:

<u>December 31, 2024</u>	Quoted Prices in Active Markets for Identical Investments Level I
Investment Type	
Exchange traded funds	\$ 6,089,253
Mutual funds	3,095,834
	<hr/>
Total	\$ 9,185,087
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The fair value of mutual funds and exchange funds are measured on a recurring basis on quoted market prices obtained from independent price sources and are classified as Level I inputs.

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2024, is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Funds in the Aggregate</u>
Federal aid	\$ 24,093.00		
Property taxes	191,820	\$ 102,760.00	\$ 68,500.00
Franchise fees	158,969		90,156
Sales taxes	909,834	227,459	1,137,292
Fines, forfeitures, and costs	4,504		
Local permits and fees		78,243	40,882
Advertising and promotion taxes			179,442
Other	225		19,361
	<hr/>	<hr/>	<hr/>
Totals	\$ 1,289,445	\$ 408,462	\$ 1,535,633
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2024, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 106,973	\$ 70,013	\$ 599,534
Other	<u>52,377</u>		
Totals	<u><u>\$ 159,350</u></u>	<u><u>\$ 70,013</u></u>	<u><u>\$ 599,534</u></u>

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2024	
	Interfund Receivables	Interfund Payables
General Fund	\$ 2,928	\$ 616
Street Fund	616	
Other Funds in the Aggregate:		
Special Revenue Funds:		
Police Narcotics Seizure (Federal)		<u>2,928</u>
Totals	<u><u>\$ 3,544</u></u>	<u><u>\$ 3,544</u></u>

Interfund receivables and payables consist of water permit fees remitted to the Stormwater Fund on January 17, 2025, and federal aid used to purchase computer supplies that was reimbursed to the General Fund on January 16, 2025.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2024, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 6,878,068
Law enforcement			3,595,972
Highways and streets		\$ 12,196,006	
Public safety	\$ 48		2,736,813
Recreation and culture	30,829		9,459,997
Pension benefits			10,958,291
Debt service			2,683,892
Total Restricted	<u>30,877</u>	<u>12,196,006</u>	<u>36,313,033</u>
Committed for:			
General government	400		1,610,470
Law enforcement	300		80,343
Highways and streets		819,328	
Public safety	<u>200</u>	<u></u>	<u>14,550</u>
Total Committed	<u>900</u>	<u>819,328</u>	<u>1,705,363</u>
Assigned to:			
General government	863,230		
Law enforcement	2,134,129		50,596
Public safety	<u>248,189</u>	<u></u>	<u></u>
Total Assigned	<u>3,245,548</u>	<u></u>	<u>50,596</u>
Unassigned	<u>4,847,314</u>		
Totals	<u>\$ 8,124,639</u>	<u>\$ 13,015,334</u>	<u>\$ 38,068,992</u>

NOTE 9: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2024, the legal debt limit for the bonded debt was \$144,532,270. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2024, the legal debt limit for short-term financing obligations was \$37,050,146. The amount of short-term financing obligations, was \$274,562 leaving a legal debt margin of \$36,775,584.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2024:

	December 31, 2024
Long-term liabilities	\$ 37,162,601
Lease	91,590
Construction contracts	7,219,362
Total Commitments	<u>\$ 44,473,553</u>

Long-term liabilities

Long-term liabilities at December 31, 2024, are comprised of the following:

	December 31, 2024
<u>Bonds</u>	
2014 Sales & Use Tax Bonds, dated April 15, 2014, in the amount of \$37,720,000; annual installments of \$525,000 to \$2,145,000 due June 1 beginning in 2015 to 2044; interest rate of 2% to 5%. Payments are to be made from the 2014 and 2015 Sales and Use Tax Bond Fund.	\$ 29,795,000
2015 Sales and Use Tax Bonds, dated June 1, 2015, in the amount of \$1,335,000; annual installments of \$30,000 to \$75,000 due June 1 beginning in 2016 to 2044; interest rate of 3% to 3.875%. Payments are to be made from the 2014 and 2015 Sales and Use Tax Bond Fund.	1,050,000
2015 Capital Improvement Revenue Bonds, dated May 1, 2015, in the amount of \$6,455,000; annual installments of \$100,000 to \$395,000 due September 1 beginning in 2016 through 2045; interest rate from 2% to 4%. Payments are to be made from the 2015 Capital Improvement Bond Fund.	5,515,000
Total Bonds	<u>36,360,000</u>
<u>Direct Borrowings</u>	
Financed purchase dated July 30, 2021, with Musco Finance, LLC, in the amount of \$658,621, with interest rate of 2.84% for the acquisition and installation of lighting and related equipment at Tyndall Park. Yearly payments of \$143,157 for 5 years. Payments are to be made from the Parks and Recreation Fund.	274,562
Total Direct Borrowings	<u>274,562</u>
Arkansas District Judge's Retirement unfunded pension liability balance due to Arkansas Public Employees Retirement System (APERS) determined by actuarial valuation as of December 31, 2004, and amortized over a 30-year period. Payments are to be made from the General Fund.	157,924
Compensated absences consisting of accrued vacation adjusted to current salary cost.	370,115
Total Long-term liabilities	<u>\$ 37,162,601</u>

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

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

The City's outstanding bonds payable of \$36,360,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The City's outstanding direct borrowings of \$274,562 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.

Compensated Absences

Compensated absences do vest or accumulate.

Change in Compensated Absences

	December 31, 2024
Beginning balance compensated absences	\$ 396,042
Ending balance compensated absences	<u>370,115</u>
Net increase (decrease)	<u><u>\$ (25,927)</u></u>

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, 2024	Maturities to December 31, 2024
<u>Bonds</u>					
4/15/14	6/1/44	2 - 5%	\$ 37,720,000	\$ 29,795,000	\$ 7,925,000
6/1/15	6/1/44	3 - 3.875%	1,335,000	1,050,000	285,000
5/1/15	9/1/45	2 - 4%	6,455,000	5,515,000	940,000
Total Bonds			<u>45,510,000</u>	<u>36,360,000</u>	<u>9,150,000</u>
<u>Direct Borrowings</u>					
7/30/21	7/30/26	2.84%	658,621	274,562	384,059
Total Long-Term Debt			<u><u>\$ 46,168,621</u></u>	<u><u>\$ 36,634,562</u></u>	<u><u>\$ 9,534,059</u></u>

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2024	Issued	Retired	Balance December 31, 2024
Bonds payable	\$ 37,455,000	\$ 0	\$ 1,095,000	\$ 36,360,000
<u>Direct Borrowings</u>				
Financed purchases	406,183	0	131,621	274,562
Total Long-Term Debt	<u>\$ 37,861,183</u>	<u>\$ 0</u>	<u>\$ 1,226,621</u>	<u>\$ 36,634,562</u>

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2024:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,130,000	\$ 1,499,181	\$ 2,629,181	\$ 135,359	\$ 7,798	\$ 143,157
2026	1,170,000	1,457,797	2,627,797	139,203	3,953	143,156
2027	1,215,000	1,409,575	2,624,575			
2028	1,270,000	1,349,325	2,619,325			
2029	1,410,000	1,286,250	2,696,250			
2030 through 2034	8,025,000	5,472,925	13,497,925			
2035 through 2039	9,775,000	3,696,494	13,471,494			
2040 through 2044	11,970,000	1,452,409	13,422,409			
2045	395,000	15,800	410,800			
Totals	<u>\$ 36,360,000</u>	<u>\$ 17,639,756</u>	<u>\$ 53,999,756</u>	<u>\$ 274,562</u>	<u>\$ 11,751</u>	<u>\$ 286,313</u>

Lease

The City entered into a lease agreement for exercise equipment on March 2, 2022. Terms of the lease are yearly rental payments of \$45,795 for five years. At the end of the lease term, the City has the option to purchase the equipment at fair market value, renew for a period of not less than one year, or return the equipment. The City is obligated for the following amounts for the next two years:

Year	December 31, 2024
2025	\$ 45,795
2026	45,795
Total	<u>\$ 91,590</u>

Lease expense for 2024, was \$45,795.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2024:

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2024
410 River Street Project	February 10, 2025	\$ 1,058,276
Animal Services Shelter Project	December 19, 2025	2,265,575
Downtown Water Project	August 1, 2025	1,687,936
Hurricane Lake Neighborhood Park Project	May 21, 2025	342,000
Police Department Headquarters Renovation Project	December 19, 2025	1,865,575
Total Construction Contracts		<u>\$ 7,219,362</u>

NOTE 11: Interfund Transfers

The General Fund transferred \$2,159,198 to Other Funds in the Aggregate to supplement operations and distribute excess revenues. Funds totaling \$1,127,877 was transferred from Other Funds in the Aggregate to the General Fund for Animal Control Future Facilities and to close the Rescue account. Additionally, within Other Funds in the Aggregate, \$117 was transferred to close the 2012 Capital Improvement Refunding Bond Fund.

NOTE 12: Pledged Revenues

Sales and Use Tax

The City pledged future 0.5% sales and use taxes and 12.5% of the 1.5% sales and use taxes to repay \$39,055,000 in bonds that were issued in 2014 and 2015 to provide funding for the construction of Riverside Park. Total principal and interest remaining on the bonds are \$30,845,000 and \$14,825,732, respectively, payable through June 1, 2044. For 2024, principal and interest paid were \$980,000 and \$1,318,481, respectively.

The Debt Service Fund received \$1,936,451 in sales taxes in 2024. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for any 2014 and 2015 tax uses.

Franchise Fees

The City pledged future franchise fees collected from public utilities for the privilege of using the streets, highways, and other places in the City to repay \$6,455,000 in bonds that were issued in 2015 to provide funding for park and recreational improvements. Total principal and interest remaining on the bonds are \$5,515,000 and \$2,814,024, respectively, payable through September 1, 2045. For 2024, principal and interest paid were \$115,000 and \$219,725, respectively.

The City received \$336,742 in franchise fees for 2024. Any franchise fees collected in excess of debt service requirements on these bonds is permitted to be used for any lawful municipal purposes.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 13: Joint Venture

Saline County Emergency Communications Center

The City of Benton and Saline County entered into an agreement dated September 29, 2020, for the purpose of establishing a combined communications network to be known as the Saline County Emergency Communications Center to streamline the dispatching of non-emergency and emergency calls as received over the 911 telephone system and by other means. This agreement was amended on October 17, 2022, to include the City of Bryant. This agreement established a 911 Governing Board consisting of the Saline County Judge, Mayor of the City of Benton, Mayor of the City of Bryant, Saline County Sheriff, Benton Police Chief, Bryant Police Chief, Benton Fire Chief, Bryant Fire Chief, Office of Emergency Management Director, Ambulance Service Manager, and Fire Service Coordinator. The members will serve by virtue of their term in office or employment with local government, and from time to time, select their own designee to attend business and other matters of the Board. The Board shall determine the location of the public safety answering point (PSAP), which will serve the areas of, but not limited to, the unincorporated areas of Saline County, Arkansas and the incorporated areas of Benton, Bryant, Haskell, Shannon Hills, Bauxite, Traskwood, and Alexander. The Board will review and approve an annual budget of costs in accordance with Ark. Code Ann. § 12-10-323. Any capital expenditures shall be approved by a majority of the Board before the expenditure is authorized. A communications director shall be hired by the Board to manage the system, and to establish policies and procedures and adopt necessary guidelines for efficient operation of the system. The Benton City Council, Bryant City Council, and the Saline County Quorum Court shall be responsible for financing the operation of the Center. All monies appropriated for the Center shall be paid into a fund and managed by the communications director within specific guidelines as established by the County budget process and the 911 Governing Board. All procurement for the system shall be governed by the county purchasing and procurement guidelines. The City of Benton contributed \$60,761 to the Saline County Emergency Communications Center during 2024.

NOTE 14: Risk Management

The City 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 City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees, and volunteer fire fighters while performing work for the municipality. Rates for municipalities participating in this program are revised by class code on an annual basis by the Arkansas Workers' Compensation Commission.

Municipal Vehicle Program

- A. **Liability** - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death, or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.
- B. **Physical Damage** - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. 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 \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$10,000, or in the case of flood or earthquake, \$500,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 14: Risk Management (Continued)

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages – not punitive damages) imposed on municipal officials and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials, and employees because of judgment in any one lawsuit for more than 25% of the program's available funds at time the lawsuit was filed or the judgment becomes final, or \$1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each city also agrees to pay the first \$3,000 of the aggregate cost for all expenses on each lawsuit. This cost deposit is not refundable.

The City 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 Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

**NOTE 15: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

The City contributes to the Local Police and Fire Retirement System (LOPFI), an agent multiple employer retirement system that acts as a common investment and administrative agent for cities and towns in Arkansas. The plan 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 Local Police and Fire Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 W. 3rd, Suite 200, Little Rock, Arkansas 72201, by calling 1-866-859-1745, or on their website www.lopfi-prb.com.

On September 28, 2020, administration of the City of Benton Firemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates required by state law are:

- A. Paid service not covered by Social Security: 8.5% of gross pay
- B. Paid service also covered by Social Security: 2.5% of gross pay
- C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$2,508,324. and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$1,033,775 for the year ended December 31, 2024.

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 City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2024, (actuarial valuation date and measurement date) was \$17,840,382.

CITY OF BENTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

**NOTE 16: Municipal Employees Retirement System
(A Defined Benefit Plan)**

Plan Description

The Municipal Employees Retirement Plan is a simple-employer defined benefit plan which covers the City of Benton's employees except those covered by LOPFI, the Court Clerk, and employees of Benton Utilities. The plan, administered by the City, provides retirement, disability, and survivor benefits. Participants begin vesting at five years of service and are 100 percent vested at fifteen years of service. Retirement benefits are based on period of service. Benefits and contributions are established by the Municipal Employees Retirement Board. The plan does not issue a stand-alone financial report but is included in the City's financial report.

Funding Policy

Employees hired after December 31, 2011, are required to contribute 2% of compensation until January 1 following the employee's date of employment, and 4% thereafter. Employer contributions are determined by the retirement board upon the advice of an actuary employed by the Board. Employer contributions were \$473,167 in 2024.

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 City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2023 (actuarial valuation date and measurement date) was \$542,003.

NOTE 17: Arkansas Department of Transportation Agreement of Understanding

On August 24, 2023, the City entered into an Agreement of Understanding with the Arkansas Department of Transportation (ARDOT) for a partnering commitment in the amount of \$3,000,000, payable in five annual installments of \$600,000 each. The first payment was paid on June 27, 2024, leaving a balance as of December 31, 2024, of \$2,400,000. This commitment is for the shared costs of an ARDOT project for improvements on the Interstate 30 Ramp and Frontage Road.

CITY OF BENTON, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024

Schedule 1

SPECIAL REVENUE FUNDS

	1991 Act 833 - Fire Insurance Tax	Animal Control Operating	Communications Facility and Equipment	Communications System	District Court Automation	District Court Cost	Municipal Judge's and Clerk's Retirement	Financial Stability
ASSETS								
Cash and cash equivalents	\$ 78,333	\$ 82,686	\$ 16,553	\$ 1,623	\$ 239,322	\$ 213,528	\$ 108,102	\$ 1,610,470
Investments								
Accounts receivable								
TOTAL ASSETS	\$ 78,333	\$ 82,686	\$ 16,553	\$ 1,623	\$ 239,322	\$ 213,528	\$ 108,102	\$ 1,610,470
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 3,966			\$ 820			
Interfund payables								
Settlements pending								
Total Liabilities		3,966			820			
Fund Balances:								
Restricted	\$ 78,333		\$ 16,553	\$ 1,623	238,502	\$ 213,528	\$ 108,102	\$ 1,610,470
Committed		78,720						
Assigned								
Total Fund Balances	78,333	78,720	16,553	1,623	238,502	213,528	108,102	1,610,470
TOTAL LIABILITIES AND FUND BALANCES	\$ 78,333	\$ 82,686	\$ 16,553	\$ 1,623	\$ 239,322	\$ 213,528	\$ 108,102	\$ 1,610,470

CITY OF BENTON, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024

Schedule 1

SPECIAL REVENUE FUNDS

	Parks and Recreation	Firemen's Pension	Police Equipment Grant	Fire Truck Reserve	Public Safety	Franchise Fees	Police Narcotics Seizure (State)	Police Narcotics Seizure (Federal)
ASSETS								
Cash and cash equivalents	\$ 4,754,607	\$ 95,940	\$ 94,560	\$ 14,550	\$ 4,534,354	\$ 1,402,782	\$ 104,505	\$ 290,368
Investments	535,711	68,500			454,917	90,156		
Accounts receivable								
TOTAL ASSETS	\$ 5,290,318	\$ 164,440	\$ 94,560	\$ 14,550	\$ 4,989,271	\$ 1,492,938	\$ 104,505	\$ 290,368
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 89,501				\$ 1,191			\$ 2,928
Interfund payables								
Settlements pending								
Total Liabilities	89,501				1,191			2,928
Fund Balances:								
Restricted	5,200,817	\$ 164,440	\$ 43,964	\$ 14,550	4,988,080	\$ 1,492,938	\$ 104,505	287,440
Committed								
Assigned			50,596					
Total Fund Balances	5,200,817	164,440	94,560	14,550	4,988,080	1,492,938	104,505	287,440
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,290,318	\$ 164,440	\$ 94,560	\$ 14,550	\$ 4,989,271	\$ 1,492,938	\$ 104,505	\$ 290,368

CITY OF BENTON, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2024

Schedule 1

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUNDS		
	Police Federal Treasury	Advertising and Promotion Commission	Benton Events Center	Advertising and Promotion Small Projects	Advertising and Promotion Large Projects	American Rescue Plan Act	2015 Capital Improvement Bond	2014 and 2015 Sales and Use Tax Bond
ASSETS								
Cash and cash equivalents	\$ 89,338	\$ 785,089	\$ 851,170	\$ 1,257,129	\$ 2,530,413	\$ 4,545,123	\$ 532,826	\$ 1,963,020
Investments		35,529	19,560	35,529	88,824			188,046
Accounts receivable								
TOTAL ASSETS	\$ 89,338	\$ 820,618	\$ 870,730	\$ 1,292,658	\$ 2,619,237	\$ 4,545,123	\$ 532,826	\$ 2,151,066
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		\$ 1,475	\$ 49,930	\$ 7,686		\$ 444,965		
Interfund payables								
Settlements pending								
Total Liabilities		1,475	49,930	7,686		444,965		
Fund Balances:								
Restricted	\$ 89,338	819,143	820,800	1,284,972	\$ 2,619,237	4,100,158	\$ 532,826	\$ 2,151,066
Committed								
Assigned								
Total Fund Balances	89,338	819,143	820,800	1,284,972	2,619,237	4,100,158	532,826	2,151,066
TOTAL LIABILITIES AND FUND BALANCES	\$ 89,338	\$ 820,618	\$ 870,730	\$ 1,292,658	\$ 2,619,237	\$ 4,545,123	\$ 532,826	\$ 2,151,066

CITY OF BENTON, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2024

	TRUST FUND	CUSTODIAL FUNDS					
		City Employees' Pension	Administration of Justice	Advertising and Promotion Commission - General	Police Bond and Fine	District Court	Totals
ASSETS							
Cash and cash equivalents		\$ 1,754,343	\$ 3,091	\$ 4,484	\$ 3,047	\$ 192,865	\$ 28,154,221
Investments		9,185,087					9,185,087
Accounts receivable		18,861					1,535,633
TOTAL ASSETS		<u>\$ 10,958,291</u>	<u>\$ 3,091</u>	<u>\$ 4,484</u>	<u>\$ 3,047</u>	<u>\$ 192,865</u>	<u>\$ 38,874,941</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							\$ 599,534
Interfund payables							2,928
Settlements pending		\$ 3,091	\$ 3,091	\$ 4,484	\$ 3,047	\$ 192,865	203,487
Total Liabilities		<u>3,091</u>	<u>3,091</u>	<u>4,484</u>	<u>3,047</u>	<u>192,865</u>	<u>805,949</u>
Fund Balances:							
Restricted	\$ 10,958,291						36,313,033
Committed							1,705,363
Assigned							50,596
Total Fund Balances	<u>10,958,291</u>						<u>38,068,992</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>\$ 10,958,291</u>	<u>\$ 3,091</u>	<u>\$ 4,484</u>	<u>\$ 3,047</u>	<u>\$ 192,865</u>	<u>\$ 38,874,941</u>

CITY OF BENTON, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS							
	1991 Act 833 - Fire Insurance Tax	Animal Control Operating	Rescue	Communications Facility and Equipment	Communications System	District Court Automation	District Court Cost	Municipal Judge's and Clerk's Retirement
REVENUES								
State aid	\$ 37,214	\$ 166						
Federal aid								
Property taxes								
Franchise fees								
Sales taxes								
Fines, forfeitures, and costs				\$ 4,100	\$ 48	\$ 43,346	\$ 12,088	\$ 5,336
Interest	3,374	2,403	\$ 8	434	\$ 6,488		6,172	3,139
Local permits and fees		14,243						
Advertising and promotion taxes								
Rental income								
Employer contributions								
Employee contributions								
Donations		48,657						
Sale of equipment								
Net increase/(decrease) in fair value of investments		2,086						
Other	40,588	67,555	8	4,534	48	49,834	18,260	8,475
TOTAL REVENUES								
EXPENDITURES								
Current:								
General government								
Law enforcement		628,371				820		102
Highways and streets								
Public safety	68,757							
Sanitation								
Recreation and culture								
Water and sewer								
Total Current	68,757	628,371				820		102
Debt Service:								
Bond principal								
Bond interest and other charges								
Financed purchase principal								
Financed purchase interest								
TOTAL EXPENDITURES	68,757	628,371				820		102
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,169)	(560,816)	8	4,534	48	49,014	18,260	8,373
OTHER FINANCING SOURCES (USES)								
Transfers in		550,000	(301)					
Transfers out								
Transfer to local police and fire retirement system								
Proceeds from sale of land								
TOTAL OTHER FINANCING SOURCES (USES)		550,000	(301)					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(28,169)	(10,816)	(293)	4,534	48	49,014	18,260	8,373
FUND BALANCES - JANUARY 1	106,502	89,536	293	12,019	1,575	189,488	195,268	99,729
FUND BALANCES - DECEMBER 31	\$ 78,333	\$ 78,720	\$ 0	\$ 16,553	\$ 1,623	\$ 238,502	\$ 213,528	\$ 108,102

CITY OF BENTON, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	Financial Stability	Parks and Recreation	Firemen's Pension	Police Equipment Grant	Fire Truck Reserve	Public Safety	Franchise Fees
REVENUES							
State aid							
Federal aid			\$ 705,555	\$ 13,927			
Property taxes		\$ 6,279,558				\$ 5,477,339	\$ 525,196
Franchise fees							
Sales taxes		79,157	7,555		\$ 433	208,243	
Fines, forfeitures, and costs		1,424,600					\$ 106,782
Interest	\$ 36,053						
Local permits and fees							
Advertising and promotion taxes							
Rental income							
Employer contributions							
Donations		217,313		15,130			
Sale of equipment							
Net increase/(decrease) in fair value of investments							
Other		4,386					
TOTAL REVENUES	36,053	8,005,014	713,110	29,057	433	5,685,582	106,782
EXPENDITURES							
Current:							
General government							
Law enforcement				75,198		3,236,553	950
Highways and streets							
Public safety						2,308,230	
Sanitation							
Recreation and culture		6,371,146					
Water and sewer							
Total Current		6,371,146		75,198		5,544,783	10,927
Debt Service:							
Bond principal							
Bond interest and other charges							
Financed purchase principal		131,621					
Financed purchase interest		11,536					
TOTAL EXPENDITURES		6,514,303		75,198		5,544,783	10,927
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES							
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out	1,609,198						
Transfer to local police and fire retirement system	(1,127,576)		(732,326)				117
Proceeds from sale of land							
TOTAL OTHER FINANCING SOURCES (USES)	481,622		(732,326)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)							
EXPENDITURES AND OTHER USES							
FUND BALANCES - JANUARY 1	517,675	1,490,711	(19,216)	(46,141)	433	140,799	95,855
FUND BALANCES - DECEMBER 31	1,092,795	3,710,106	183,656	140,701	14,117	4,847,281	8,650
	\$ 1,610,470	\$ 5,200,817	\$ 164,440	\$ 94,560	\$ 14,550	\$ 4,988,080	\$ 104,505

CITY OF BENTON, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS						
	Police Narcotics Seizure (Federal)	Police Federal Treasury	Advertising and Promotion Commission	Benton Events Center	Advertising and Promotion Small Projects	Advertising and Promotion Large Projects	American Rescue Plan Act
REVENUES							
State aid							
Federal aid							
Property taxes							
Franchise fees							
Sales taxes							
Fines, forfeitures, and costs							
Interest	\$ 219,717						
Local permits and fees	5,259	\$ 5,562	\$ 26,594	\$ 32,705	\$ 41,830	\$ 59,041	\$ 177,493
Advertising and promotion taxes							
Rental income			425,626	214,609	425,626	1,064,066	
Employer contributions				461,512			
Employee contributions							
Donations							
Sale of equipment							
Net increase/(decrease) in fair value of investments				22,102			
Other				730,928	467,456	1,123,107	177,493
TOTAL REVENUES	<u>224,976</u>	<u>5,562</u>	<u>452,220</u>	<u>730,928</u>	<u>467,456</u>	<u>1,123,107</u>	<u>177,493</u>
EXPENDITURES							
Current:							
General government					969		1,917,294
Law enforcement	27,625	98,092					
Highways and streets							
Public safety							
Sanitation							
Recreation and culture			178,285	637,459	7,686	1,011,569	355,817
Water and sewer							
Total Current	<u>27,625</u>	<u>98,092</u>	<u>178,285</u>	<u>637,459</u>	<u>8,655</u>	<u>1,011,569</u>	<u>2,273,111</u>
Debt Service:							
Bond principal							
Bond interest and other charges							
Financed purchase principal							
Financed purchase interest							
TOTAL EXPENDITURES	<u>27,625</u>	<u>98,092</u>	<u>178,285</u>	<u>637,459</u>	<u>8,655</u>	<u>1,011,569</u>	<u>2,273,111</u>
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES	<u>197,351</u>	<u>(92,530)</u>	<u>273,935</u>	<u>93,469</u>	<u>458,801</u>	<u>111,538</u>	<u>(2,095,618)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out							
Transfer to local police and fire retirement system							
Proceeds from sale of land						799,625	
						799,625	
TOTAL OTHER FINANCING SOURCES (USES)							
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)	<u>197,351</u>	<u>(92,530)</u>	<u>273,935</u>	<u>93,469</u>	<u>458,801</u>	<u>911,163</u>	<u>(2,095,618)</u>
EXPENDITURES AND OTHER USES	<u>90,089</u>	<u>181,868</u>	<u>545,208</u>	<u>727,331</u>	<u>826,171</u>	<u>1,708,074</u>	<u>6,195,776</u>
FUND BALANCES - JANUARY 1							
FUND BALANCES - DECEMBER 31	<u>\$ 287,440</u>	<u>\$ 89,338</u>	<u>\$ 819,143</u>	<u>\$ 820,800</u>	<u>\$ 1,284,972</u>	<u>\$ 2,619,237</u>	<u>\$ 4,100,158</u>

CITY OF BENTON, ARKANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	DEBT SERVICE FUNDS			TRUST FUND	
	2012 Capital Improvement Refunding Bond	2015 Capital Improvement Bond	2014 and 2015 Sales and Use Tax Bond	City Employees' Pension	Totals
REVENUES					
State aid					\$ 37,380
Federal aid					13,927
Property taxes					705,555
Franchise fees		\$ 336,742	\$ 1,936,451		861,938
Sales taxes					13,693,348
Fines, forfeitures, and costs					391,369
Interest		25,077	103,992	\$ 351,623	1,218,281
Local permits and fees					1,438,843
Advertising and promotion taxes					2,129,927
Rental income					461,512
Employer contributions				473,167	473,167
Employee contributions				152,650	152,650
Donations					265,970
Sale of equipment					15,130
Net increase(decrease) in fair value of investments				738,298	738,298
Other				4,441	33,015
TOTAL REVENUES		<u>361,819</u>	<u>2,040,443</u>	<u>1,720,179</u>	<u>22,630,310</u>
EXPENDITURES					
Current:					
General government				288,647	2,207,860
Law enforcement				132,728	4,210,416
Highways and streets				157,288	157,288
Public safety					2,376,987
Sanitation				790	790
Recreation and culture				87,186	8,293,331
Water and sewer					355,817
Total Current				<u>666,639</u>	<u>17,602,489</u>
Debt Service:					
Bond principal		115,000	980,000		1,095,000
Bond interest and other charges		221,225	1,323,631		1,544,856
Financed purchase principal					131,621
Financed purchase interest					11,536
TOTAL EXPENDITURES		<u>336,225</u>	<u>2,303,631</u>	<u>666,639</u>	<u>20,385,502</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES		<u>25,594</u>	<u>(263,188)</u>	<u>1,053,540</u>	<u>2,244,808</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ (117)				2,159,315
Transfers out					(1,127,994)
Transfer to local police and fire retirement system					(732,326)
Proceeds from sale of land					799,625
TOTAL OTHER FINANCING SOURCES (USES)		<u>(117)</u>			<u>1,098,620</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)					
EXPENDITURES AND OTHER USES					
		25,594	(263,188)	1,053,540	3,343,428
FUND BALANCES - JANUARY 1	117	507,232	2,414,254	9,904,751	34,725,564
FUND BALANCES - DECEMBER 31	<u>\$ 0</u>	<u>\$ 532,826</u>	<u>\$ 2,151,066</u>	<u>\$ 10,958,291</u>	<u>\$ 38,068,992</u>

CITY OF BENTON, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

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

<u>Fund Name</u>	<u>Fund Description</u>
1991 Act 833 - Fire Insurance Tax	Ark. Code Ann. §§ 14-284-403, 404 requires insurance premium tax funds to be distributed by the county to municipal fire departments for training, purchase and improvement of fire fighting equipment, initial capital construction or improvements of fire departments, insurance for buildings, and utilities costs.
Animal Control Operating	Benton Ordinance no. 34 of 2013 (June 24, 2013) established fund and Benton Ordinance no. 84 of 2019 (November 25, 2019) amended the fund to account for fines and fees associated with animal control.
Rescue	Ark. Code Ann. § 27-101-111 established fund to receive fees from the county treasurer to be used for operating on the waterways within a city within a county or for emergency rescue services if the city has not established a patrol.
Communications Facility and Equipment	Ark. Code Ann. § 14-52-202 established fund to receive 25% of police chief fees collected to be used for communications equipment and repair and to train operations staff.
Communications System	Established by Benton Ordinance no. 43 of 1997 (November 24, 1997) to account for the proceeds derived from the leases authorized by Benton Resolution nos. 7 and 8 of 1996 (April 8, 1996) between the City of Benton and Southwestern Bell Mobile Systems, Inc. and Sprint Spectrum, L.P.
District Court Automation	Ark. Code Ann. § 16-13-704 established fund to receive district court installment fees of 1/2 of \$5 per month on each person to be used for court-related technology.
District Court Cost	Ark. Code Ann. § 16-17-126 authorizes district court fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Municipal Judge's and Clerk's Retirement	Ark. Code Ann. §§ 24-4-751, 24-8-902 established fund to contribute an amount of money that represents the actuarially determined accrued liability to be paid to the Arkansas Public Employees Retirement System. Excess funds will be retained in this fund for the sole purpose of paying the retirement benefits of district judges and clerks.
Financial Stability	Benton Ordinance no. 84 of 2007 (November 12, 2007) established fund to receive general revenues received by the City during the year, which exceed the funds which have been pledged by the City Council as defined in Ordinance no. 50 of 2010 (November 22, 2010).

CITY OF BENTON, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

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

<u>Fund Name</u>	<u>Fund Description</u>
Parks and Recreation	Benton Ordinance nos. 42 of 2003 (November 24, 2003), 48 of 2013 (August 28, 2013), and 52 of 2013 (August 23, 2013) established fund to receive: fees, sponsorships, and donations to be used for personnel expense; excess proceeds from the 2014 Sales and Use Tax for parks and recreation expense at Riverside Park; and one-sixth of 1.5% sales and use tax to be used for operation and maintenance of parks and recreation facilities as outlined in the Parks Master Plan.
Firemen's Pension	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
Police Equipment Grant	Established to receive grant funds through the Bulletproof Vest Partnership and funds from the sale of law enforcement equipment.
Fire Truck Reserve	Benton Ordinance no. 73 of 2012 (December 20, 2012) established fund to account for funds to be utilized towards the purchase of fire apparatus.
Public Safety	Benton Ordinance no. 51 of 2013 (August 28, 2013) authorized the issuance of sales and use tax to assist with operating expenses for police, fire and 911 communications.
Franchise Fees	Established by Benton Ordinance no. 46 of 2012 (August 13, 2012) and Benton Ordinance no. 21 of 2015 (April 13, 2015) to receive sales tax revenue for the purpose of providing funds for the payment of principal and interest on the bond issues.
Police Narcotics Seizure (State)	Ark. Code Ann. § 5-64-505 established fund to receive asset forfeitures resulting from drug offense cases due to arresting agency. The revenues shall only be used for law enforcement purposes.
Police Narcotics Seizure (Federal)	Established to receive asset forfeitures resulting from drug offense cases with the Twenty-Second Judicial District.
Police Federal Treasury	Established to receive asset forfeitures resulting from cases with the Internal Revenue Service (IRS) and Homeland Security.
Advertising and Promotion Commission	Advertising and Promotion Commission established to receive 10% share of advertising and promotion tax. Focus Group Project was also established to receive 10% share of advertising and promotion tax.

CITY OF BENTON, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2024

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

<u>Fund Name</u>	<u>Fund Description</u>
Benton Events Center	Advertising and Promotion Commission established to receive 10% share of advertising and promotion tax and rental income from the Benton Events Center.
Advertising and Promotion Small Projects	Advertising and Promotion Commission established to receive 20% share of advertising and promotion tax.
Advertising and Promotion Large Projects	Advertising and Promotion Commission established to receive 50% share of advertising and promotion tax.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
2012 Capital Improvement Refunding Bond	Established by Benton Ordinance no. 46 of 2012 (August 13, 2012) to maintain principal and interest payments from pledged franchise fees.
2015 Capital Improvement Bond	Benton Ordinance no. 21 of 2015 (April 13, 2015) established fund for the purpose of providing funds for payment of principal and interest on bond issue.
2014 and 2015 Sales and Use Tax Bond	Benton Ordinance no. 2 of 2014 (February 24, 2014) and Benton Ordinance no. 24 of 2015 (April 27, 2015) to receive sales tax distributions from the Arkansas Department of Finance and Administration.
City Employees' Pension	Benton Resolution no. 6 of 1971 (June 1, 1971) and Benton Resolution no. 6 of 1987 (May 18, 1987) established fund to provide retirement and incidental benefits for all eligible full-time city employees.
Administration of Justice	Ark. Code Ann. § 16-10-308 established fund to receive the city's share of uniform court costs and filing fees levied by state law to be used to defray a part of the expenses of the administration of justice in the city.
Advertising and Promotion Commission - General	Ark. Code Ann. § 26-75-606 established fund to receive taxes levied on gross receipts of hotels and restaurants.
Police Bond and Fine	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the police department.
District Court	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

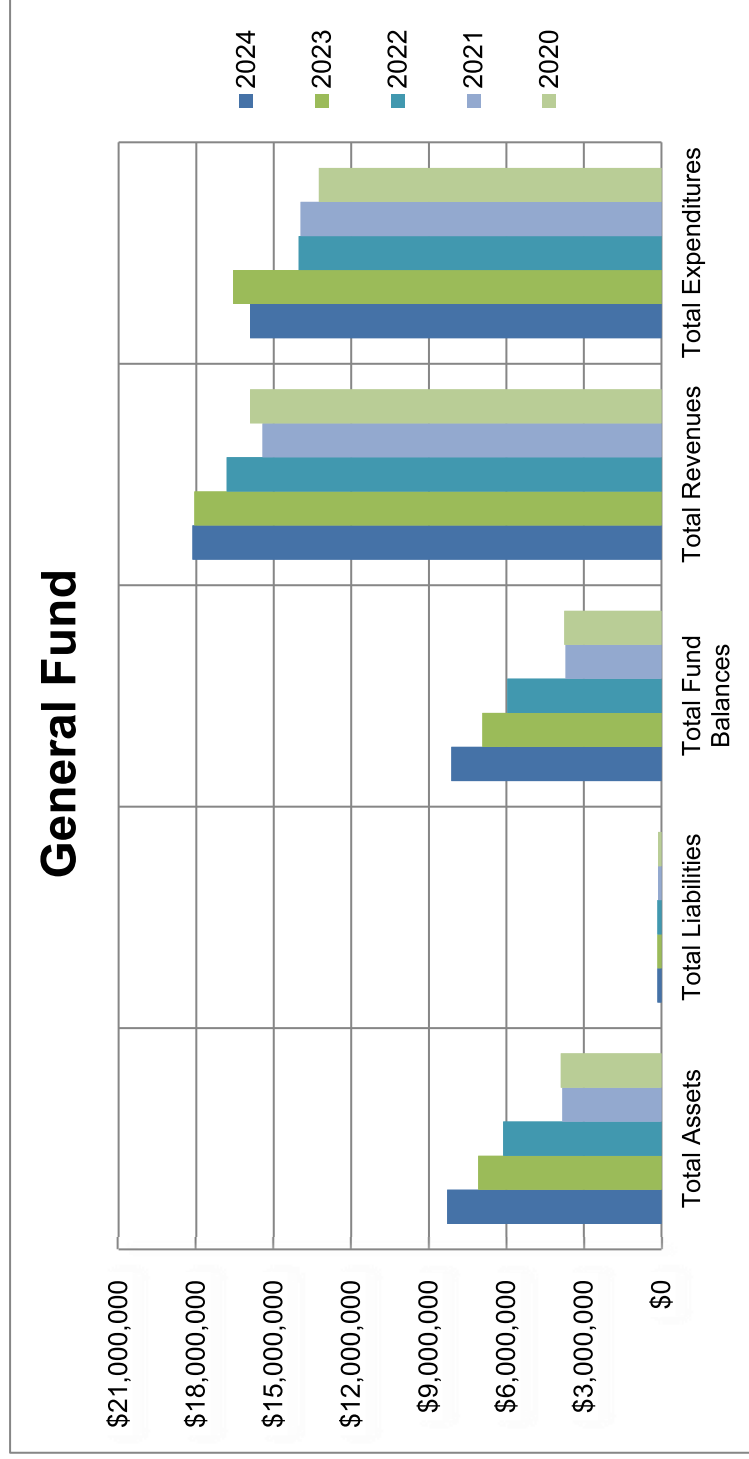
CITY OF BENTON, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2024
(Unaudited)

Schedule 3

	December 31, 2024
Land	\$ 11,457,063
Buildings & Improvements	77,702,713
Vehicles & Equipment	14,371,347
Construction in Progress	<u>1,474,544</u>
Total	<u><u>\$ 105,005,667</u></u>

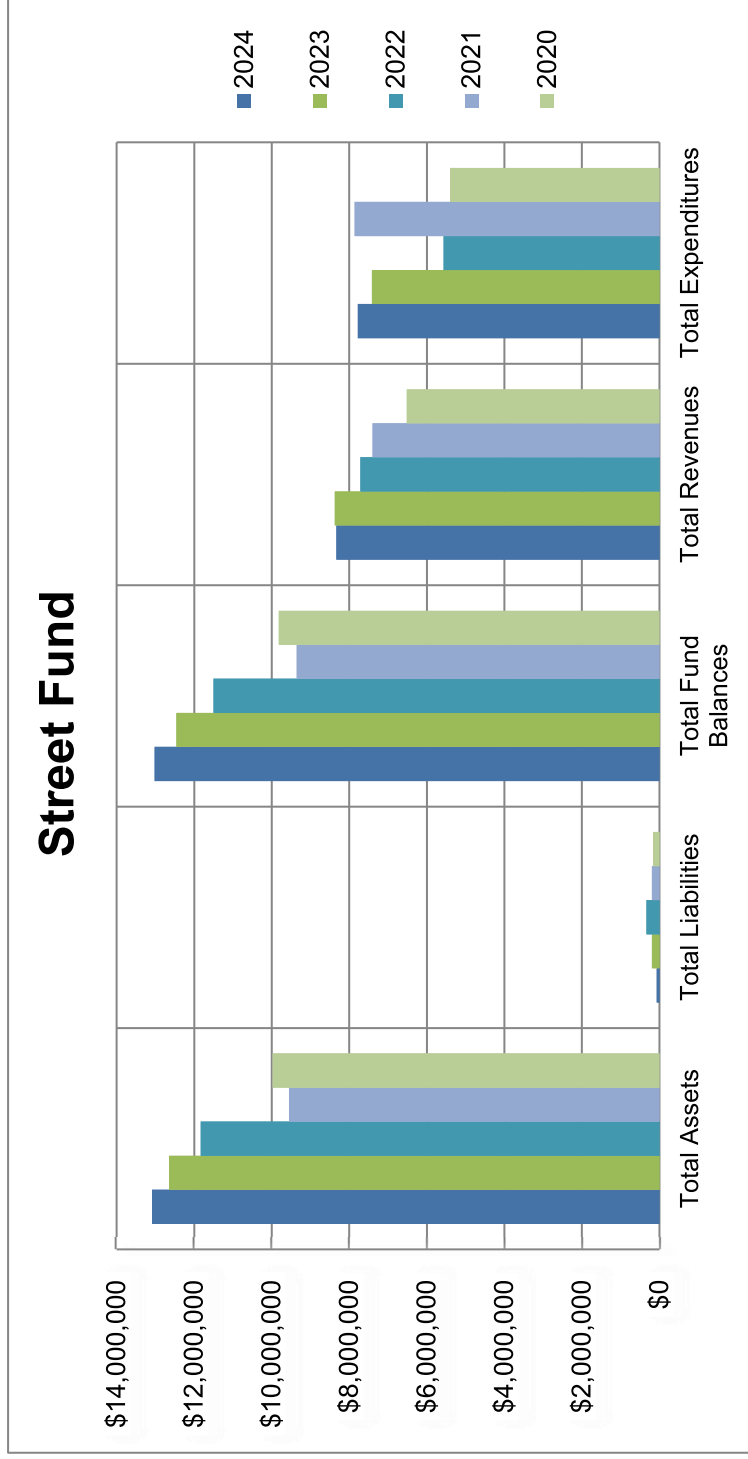
CITY OF BENTON, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2024
(Unaudited)

<u>General</u>	2024	2023	2022	2021	2020
Total Assets	\$ 8,284,605	\$ 7,081,667	\$ 6,119,641	\$ 3,837,310	\$ 3,892,550
Total Liabilities	159,966	156,541	157,759	130,580	135,370
Total Fund Balances	8,124,639	6,925,126	5,961,882	3,706,730	3,757,180
Total Revenues	18,143,472	18,063,555	16,816,440	15,432,999	15,913,473
Total Expenditures	15,912,638	16,574,047	14,036,288	13,955,030	13,246,657
Total Other Financing Sources/Uses	(1,031,321)	(526,264)	(525,000)	(1,528,419)	(309,489)



CITY OF BENTON, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2024
(Unaudited)

<u>Street</u>	2024	2023	2022	2021	2020
Total Assets	\$ 13,085,347	\$ 12,646,705	\$ 11,831,705	\$ 9,551,361	\$ 9,976,163
Total Liabilities	70,013	191,791	332,062	195,539	159,504
Total Fund Balances	13,015,334	12,454,914	11,499,643	9,355,822	9,816,659
Total Revenues	8,335,187	8,370,336	7,711,604	7,398,803	6,512,315
Total Expenditures	7,774,767	7,415,065	5,567,783	7,859,640	5,399,264
Total Other Financing Sources/Uses					26,231



CITY OF BENTON, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2024
(Unaudited)

Other Funds in the Aggregate

	2024	2023	2022	2021	2020
Total Assets	\$ 38,874,941	\$ 35,131,955	\$ 35,197,074	\$ 32,354,270	\$ 24,534,735
Total Liabilities	805,949	406,391	545,762	697,592	696,893
Total Fund Balances	38,068,992	34,725,564	34,651,312	31,656,678	23,837,842
Total Revenues	22,630,310	22,174,057	22,018,322	22,655,705	17,227,979
Total Expenditures	20,385,502	21,698,225	19,117,811	15,968,938	13,658,385
Total Other Financing Sources/Uses	1,098,620	(401,580)	94,123	1,128,442	(2,822,423)

