City of Benton, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF BENTON, ARKANSAS
TABLE OF CONTENTS
FOR THE YEARENDED DECEMBER 31, 2025

REGULATORY BASIS FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

OTHER INFORMATION

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, 2025; 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, 2025; 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, 2025, 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 10, 2026, 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

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
August 10, 2026
LOM100925

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, 2025, 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 10, 2026. 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 10, 2026.

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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
Joseph D. Archer
Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 10, 2026

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The finding contained in this letter relates to the following officials who held office during 2025:

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

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

Mayor

In June 2026, City personnel notified ALA when they became aware of a bank account in the name of a nonprofit organization, established by the City's Animal Control Director and the Animal Control Services Manager. The account was not authorized by the City, and City officials were previously unaware that donations were being collected and records maintained on City property. Our review of expenditures totaling $18,874, from January 1, 2025 through June 8, 2026, revealed the following withdrawals:

- $14,527 in bank withdrawals and debit transactions, of which $645 was not supported with adequate documentation.
- $1,936 in PayPal withdrawals for which adequate supporting documentation was not retained.

The validity of the withdrawals without adequate supporting documentation could not be determined. It should be noted that the Animal Control Services Manager self-reported personal expenditures of $866 that were reimbursed on June 9, 2026.

The Animal Control Director retired effective July 20, 2026, and the Animal Control Services Manager resigned effective July 28, 2026.

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

Joseph D. Archer

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 10, 2026

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Exhibit A

CITY OF BENTON, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2025

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 6,257,805	$ 13,972,684	$ 24,137,263
Investments			6,960,275
Accounts receivable	1,368,001	441,396	1,637,831
Interfund receivables		1,515	
TOTAL ASSETS	$ 7,625,806	$ 14,415,595	$ 32,735,369
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 116,739	$ 37,393	$ 164,170
Interfund payables	1,515		
Settlements pending			211,385
Total Liabilities	118,254	37,393	375,555
Fund Balances:			
Restricted	20,426	13,235,617	29,918,777
Committed	900	1,142,585	2,277,720
Assigned	1,164,626		163,317
Unassigned	6,321,600		
Total Fund Balances	7,507,552	14,378,202	32,359,814
TOTAL LIABILITIES AND FUND BALANCES	$ 7,625,806	$ 14,415,595	$ 32,735,369

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, 2025

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	$ 506,425	$ 2,966,682	$ 41,258
Federal aid	97,617	104,325	14,790
Property taxes	2,071,148	1,107,947	738,619
Franchise fees	2,535,695		974,864
Sales taxes	11,240,860	2,810,215	14,051,075
Fines, forfeitures, and costs	426,348		112,059
Interest	179,127	479,422	1,133,448
Local permits and fees	855,795	1,038,101	1,607,959
Advertising and promotion taxes			2,187,607
Rental income	134,943		533,273
Employer contributions			344,412
Employee contributions			93,260
School resource officer reimbursement	574,524		
Donations	45,620		186,954
Net increase/(decrease) in fair value of investments			654,765
Other	17,667	10,904	21,657
TOTAL REVENUES	18,685,769	8,517,596	22,696,000
EXPENDITURES			
Current:			
General government	3,956,243		960,240
Law enforcement	6,819,056		7,709,326
Highways and streets		7,154,728	177,986
Public safety	5,269,353		2,918,799
Sanitation			790
Recreation and culture	56,944		9,154,736
Water and sewer			1,250,903
Total Current	16,101,596	7,154,728	22,172,780
Debt Service:			
Bond principal			2,130,000
Bond interest and other charges			1,485,306
Financed purchase principal			135,359
Financed purchase interest			7,798
TOTAL EXPENDITURES	16,101,596	7,154,728	25,931,243

CITY OF BENTON, ARKANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -

REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 2,584,173	$ 1,362,868	$ (3,235,243)
OTHER FINANCING SOURCES (USES)			
Transfers in			3,654,680
Transfers out	(2,654,680)		(1,000,000)
Transfer to Arkansas Public Employee Retirement System	(546,580)		(4,422,708)
Transfer to State of Arkansas Local Police and Fire Retirement System			(711,167)
TOTAL OTHER FINANCING SOURCES (USES)	(3,201,260)		(2,479,195)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(617,087)	1,362,868	(5,714,438)
FUND BALANCES - JANUARY 1	8,124,639	13,015,334	38,074,252
FUND BALANCES - DECEMBER 31	$ 7,507,552	$ 14,378,202	$ 32,359,814

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, 2025

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 651,873	$ 506,425	$ (145,448)	$ 5,902,800	$ 2,966,682	$ (2,936,118)
Federal aid		97,617	97,617	400,000	104,325	(295,675)
Property taxes	1,897,562	2,071,148	173,586	1,016,551	1,107,947	91,396
Franchise fees	2,550,000	2,535,695	(14,305)			
Sales taxes	11,200,000	11,240,860	40,860	2,820,000	2,810,215	(9,785)
Fines, forfeitures, and costs	331,345	426,348	95,003			
Interest	75,000	179,127	104,127	428,000	479,422	51,422
Local permits and fees	889,800	855,795	(34,005)	988,000	1,038,101	50,101
Rental income		134,943	134,943			
School resource officer reimbursement		574,524	574,524			
Donations		45,620	45,620			
Other	747,569	17,667	(729,902)	500	10,904	10,404
TOTAL REVENUES	18,343,149	18,685,769	342,620	11,555,851	8,517,596	(3,038,255)
EXPENDITURES						
Current:						
General government	5,567,650	3,956,243	1,611,407			
Law enforcement	10,345,410	6,819,056	3,526,354			
Highways and streets				13,465,915	7,154,728	6,311,187
Public safety	8,133,790	5,269,353	2,864,437			
Recreation and culture		56,944	(56,944)			
TOTAL EXPENDITURES	24,046,850	16,101,596	7,945,254	13,465,915	7,154,728	6,311,187

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, 2025

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (5,703,701)	$ 2,584,173	$ 8,287,874	$ (1,910,064)	$ 1,362,868	$ 3,272,932
OTHER FINANCING SOURCES (USES)						
Transfers in	5,674,845		(5,674,845)			
Transfers out	(2,460,575)	(2,654,680)	(194,105)	(265,000)		265,000
Transfer to Arkansas Public Employee Retirement System		(546,580)	(546,580)			
TOTAL OTHER FINANCING SOURCES (USES)	3,214,270	(3,201,260)	(6,415,530)	(265,000)		265,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,489,431)	(617,087)	1,872,344	(2,175,064)	1,362,868	3,537,932
FUND BALANCES - JANUARY 1		8,124,639	8,124,639	10,354,314	13,015,334	2,661,020
FUND BALANCES - DECEMBER 31	$ (2,489,431)	$ 7,507,552	$ 9,996,983	$ 8,179,250	$ 14,378,202	$ 6,198,952

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

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The 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.

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.

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.

<u>Basis of Accounting</u>

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.

NOTE 2: Cash Deposits with Financial Institutions

Cash deposits are carried at cost. The City's cash deposits at December 31, 2025, were as follows:

	Bank Balance
Insured (FDIC)	$ 4,609,219
Collateralized:	
Collateral held by the pledging financial institution's trust department or agent in the City's name	39,544,840
Uninsured and uncollateralized	2,889,805
Total Deposits	$ 47,043,864

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

The insured (FDIC) balances included $3,500,000 of funds placed through the Certificate of Deposit Account Registry Service (CDARS). CDARS invests in certificates of deposit at various banks which are insured by FDIC.

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, 2025, $2,889,805 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, 2025 Fair Value
Pension Trust - City Employees' Pension	$ 6,960,275

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:

December 31, 2025 Investment Type	Quoted Prices in Active Markets for Identical Investments Level I
Exchange traded funds	$ 4,452,646
Mutual funds	2,507,629
Total	$ 6,960,275

The fair value of mutual funds and exchange funds are measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources and are classified as Level I inputs.

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2025, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Federal aid	$ 4,970		
Property taxes	208,402	$ 111,644	$ 74,429
Franchise fees	181,964		103,869
Sales taxes	964,631	241,158	1,205,788
Fines, forfeitures, and costs	7,737		
Local permits and fees		88,594	65,022
Advertising and promotion taxes			183,525
Other	297		5,198
Totals	$ 1,368,001	$ 441,396	$ 1,637,831

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2025, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	$ 99,126	$ 37,393	$ 164,170
Other	17,613		
Totals	$ 116,739	$ 37,393	$ 164,170

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2025	
	Interfund Receivables	Interfund Payables
General Fund		$ 1,515
Street Fund	$ 1,515	
Totals	$ 1,515	$ 1,515

Interfund receivables and payables consist of water permit fees remitted to the Stormwater Fund on January 13, 2026.

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2025, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Restricted for:			
General government			$ 1,960,714
Law enforcement			2,973,756
Highways and streets		$ 13,235,617	
Public safety	$ 50		2,485,842
Recreation and culture	20,376		12,541,298
Pension benefits			7,268,087
Debt service			2,689,080
Total Restricted	20,426	13,235,617	29,918,777
Committed for:			
General government	400		2,261,063
Law enforcement	300		1,671
Highways and streets		1,142,585	
Public safety	200		14,986
Total Committed	900	1,142,585	2,277,720
Assigned to:			
General government	329,944		
Law enforcement	720,268		163,317
Public safety	114,414		
Total Assigned	1,164,626		163,317
Unassigned	6,321,600		
Totals	$ 7,507,552	$ 14,378,202	$ 32,359,814

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, 2025, the legal debt limit for the bonded debt was $151,517,640. 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, 2025, the legal debt limit for short-term financing obligations was $38,882,846. The amount of short-term financing obligations, was $139,203 leaving a legal debt margin of $38,743,643.

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2025:

	December 31, 2025
Long-term liabilities	$ 34,917,448
Lease	45,795
Construction contracts	8,215,504
Total Commitments	$ 43,178,747

Long-term liabilities

Long-term liabilities at December 31, 2025, are comprised of the following:

	December 31, 2025
Bonds	
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.	$ 28,820,000
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.	1,015,000
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 2043; interest rate from 2% to 4%. Payments are to be made from the 2015 Capital Improvement Bond Fund.	4,395,000
Total Bonds	34,230,000
Direct Borrow ings	
Financed purchase dated July 30, 2021, w ith Musco Finance, LLC, in the amount of $658,621, w ith 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.	139,203
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.	158,021
Compensated absences consisting of accrued vacation adjusted to current salary cost	390,224
Total Long-term liabilities	$ 34,917,448

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

NOTE 10: Commitments (Continued)

Long-term liabilities (Continued)

The City's outstanding bonds payable of $34,230,000 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 $139,203 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.

Change in Compensated Absences

	December 31, 2025
Beginning balance compensated absences	$ 370,115
Ending balance compensated absences	390,224
Net increase (decrease)	$ 20,109

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, 2025	Maturities to December 31, 2025
Bonds					
4/15/14	6/1/44	2 - 5%	$ 37,720,000	$ 28,820,000	$ 8,900,000
6/1/15	6/1/44	3 - 3.875%	1,335,000	1,015,000	320,000
5/1/15	9/1/43	2 - 4%	6,455,000	4,395,000	2,060,000
Total Bonds			45,510,000	34,230,000	11,280,000
Direct Borrowings					
7/30/21	7/30/26	2.84%	658,621	139,203	519,418
Total Long-Term Debt			$ 46,168,621	$ 34,369,203	$ 11,799,418

NOTE 10: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2025	Issued	Retired	Balance December 31, 2025
Bonds payable	$ 36,360,000	$ 0	$ 2,130,000	$ 34,230,000
Direct Borrowings				
Financed purchases	274,562	0	135,359	139,203
Total Long-Term Debt	$ 36,634,562	$ 0	$ 2,265,359	$ 34,369,203

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2025:

Years Ending	Bonds			Direct Borrowings		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2026	$ 1,170,000	$ 1,417,797	$ 2,587,797	$ 139,203	$ 3,953	$ 143,156
2027	1,215,000	1,369,575	2,584,575			
2028	1,270,000	1,309,325	2,579,325			
2029	1,410,000	1,246,250	2,656,250			
2030	1,480,000	1,182,216	2,662,216			
2031 through 2035	8,350,000	4,942,084	13,292,084			
2036 through 2040	10,170,000	3,096,687	13,266,687			
2041 through 2044	9,165,000	809,841	9,974,841			
Totals	$ 34,230,000	$ 15,373,775	$ 49,603,775	$ 139,203	$ 3,953	$ 143,156

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 amount for the next year:

Year	December 31, 2025
2026	$ 45,795

Lease expense for 2025, was $45,795.

NOTE 10: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2025:

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2025
Animal Services Shelter Project	August 2026	$ 405,263
Police Department Headquarters	August 2026	762,999
Fire Training Facility Project	May 2026	231,502
Exit 114 RV Park	December 2026	6,204,362
West Cross Street Drainage	May 2026	611,378
Total Construction Contracts		$ 8,215,504

NOTE 11: **Interfund Transfers**

The General Fund transferred $2,654,680 to Other Funds in the Aggregate to supplement operations, distribute excess revenues, and for animal control shelter expenditures. Additionally, within Other Funds in the Aggregate, $1,000,000 was transferred for early redemption of bonds.

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 $29,835,000 and $13,542,825, respectively, payable through June 1, 2044. For 2025, principal and interest paid were $1,010,000 and $1,282,381, respectively.

The Debt Service Fund received $2,210,325 in sales taxes in 2025. 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 $4,395,000 and $1,830,950, respectively, payable through September 1, 2043. For 2025, principal and interest paid were $1,120,000 and $196,275, respectively.

The City received $298,956 in franchise fees for 2025. Any franchise fees collected in excess of debt service requirements on these bonds is permitted to be used for any lawful municipal purposes.

NOTE 13: Interlocal Agreement: 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 (Center) in order 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 the 911 Emergency 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 participants' share of operating expenses were as follows:

Saline County	48%
City of Benton	33%
City of Bryant	19%
Total	100%

The financial activity of the Center is included in the Saline County financial statements in the 911 Emergency Fund, which is included in Other Funds in the Aggregate. In addition to the cost share above, the City of Benton pays payroll related expense for two Center employees. The City of Benton contributed $140,756 to the Saline County Emergency Communications Center during 2025.

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.

NOTE 14: Risk Management (Continued)

Municipal Vehicle Program (Continued)

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.

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

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

Funding Policy (Continued)

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 $2,641,077 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $1,119,434 for the year ended December 31, 2025.

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, 2025, (actuarial valuation date and measurement date) was $15,691,858.

NOTE 16: Arkansas Public Employees Retirement System

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. 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.

On July 28, 2025, the City joined the Arkansas Public Employees Retirement System.

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 6.00% as of July 1, 2025. 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 City's contribution to the plan for the year ended June 30, 2025, (date of APERS Employer Allocation Report) was $0.

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 June 30, 2025, (actuarial valuation date and measurement date) was $0.

NOTE 17: 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.

NOTE 17: Municipal Employees Retirement System (Continued)
(A Defined Benefit Plan)

Funding Policy/Contributions

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 $344,412 in 2025.

On July 28, 2025, the Benton City Council approved Ordinance no 37 of 2025 to freeze the City of Benton Employee Pension Plan. Employees will not accrue any additional service credit or benefit after the effective date (July 28, 2025). Instead, the City of Benton shall participate in the Arkansas Public Employee Retirement System (APERS) with respect to service after July 28, 2025. The City of Benton purchased credit in APERS for its eligible Employees with respect to service prior to July 28, 2025.

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, 2024 (actuarial valuation date and measurement date) was $1,342,305.

NOTE 18: **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 second payment was paid on June 13, 2025, leaving a balance as of December 31, 2025, of $1,800,000. This commitment is for the shared costs of an ARDOT project for improvements on the Interstate 30 Ramp and Frontage Road.

Schedule 1

CITY OF BENTON, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025

	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 and Clerk Retirement	Financial Stability
ASSETS								
Cash and cash equivalents	$ 122,341	$ 109,774	$ 23,792	$ 1,671	$ 178,233	$ 231,847	$ 116,283	$ 2,261,063
Investments								
Accounts receivable								
TOTAL ASSETS	$ 122,341	$ 109,774	$ 23,792	$ 1,671	$ 178,233	$ 231,847	$ 116,283	$ 2,261,063
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		$ 4,323			$ 5,965			
Settlements pending								
Total Liabilities		4,323			5,965			
Fund Balances:								
Restricted	$ 122,341	7,521	$ 23,792		172,268	$ 231,847	$ 116,283	
Committed				$ 1,671				$ 2,261,063
Assigned		97,930						
Total Fund Balances	122,341	105,451	23,792	1,671	172,268	231,847	116,283	2,261,063
TOTAL LIABILITIES AND FUND BALANCES	$ 122,341	$ 109,774	$ 23,792	$ 1,671	$ 178,233	$ 231,847	$ 116,283	$ 2,261,063

Schedule 1

CITY OF BENTON, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025

	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	$ 5,892,268	$ 124,094	$ 87,773	$ 14,986	$ 3,879,603	$ 1,089,230	$ 101,698	$ 33,327
Investments								
Accounts receivable	606,228	74,429			482,315	103,869		
TOTAL ASSETS	$ 6,498,496	$ 198,523	$ 87,773	$ 14,986	$ 4,361,918	$ 1,193,099	$ 101,698	$ 33,327
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 29,310				$ 6,733	$ 2,500		
Settlements pending								
Total Liabilities	29,310				6,733	2,500		
Fund Balances:								
Restricted	6,469,186	$ 198,523	$ 22,386		4,355,185	1,190,599	$ 101,698	$ 33,327
Committed				$ 14,986				
Assigned			65,387					
Total Fund Balances	6,469,186	198,523	87,773	14,986	4,355,185	1,190,599	101,698	33,327
TOTAL LIABILITIES AND FUND BALANCES	$ 6,498,496	$ 198,523	$ 87,773	$ 14,986	$ 4,361,918	$ 1,193,099	$ 101,698	$ 33,327

CITY OF BENTON, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025

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	$ 74,427	$ 976,791	$ 1,027,457	$ 1,678,028	$ 2,232,318	$ 770,115	$ 540,185	$ 1,966,628
Investments								
Accounts receivable		17,000	10,000	10,000	146,525			182,267
TOTAL ASSETS	$ 74,427	$ 993,791	$ 1,037,457	$ 1,688,028	$ 2,378,843	$ 770,115	$ 540,185	$ 2,148,895
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable		$ 2,301	$ 18,969	$ 1,900	$ 2,837			
Settlements pending								
Total Liabilities		2,301	18,969	1,900	2,837			
Fund Balances:								
Restricted	$ 74,427	991,490	1,018,488	1,686,128	2,376,006	$ 770,115	$ 540,185	$ 2,148,895
Committed								
Assigned								
Total Fund Balances	74,427	991,490	1,018,488	1,686,128	2,376,006	770,115	540,185	2,148,895
TOTAL LIABILITIES AND FUND BALANCES	$ 74,427	$ 993,791	$ 1,037,457	$ 1,688,028	$ 2,378,843	$ 770,115	$ 540,185	$ 2,148,895

CITY OF BENTON, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2025

Schedule 1

	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	$ 391,946	$ 3,833	$ 9,234	$ 7,921	$ 190,397	$ 24,137,263
Investments	6,960,275					6,960,275
Accounts receivable	5,198					1,637,831
TOTAL ASSETS	$ 7,357,419	$ 3,833	$ 9,234	$ 7,921	$ 190,397	$ 32,735,369
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 89,332					$ 164,170
Settlements pending		$ 3,833	$ 9,234	$ 7,921	$ 190,397	211,385
Total Liabilities	89,332	3,833	9,234	7,921	190,397	375,555
Fund Balances:						
Restricted	7,268,087					29,918,777
Committed						2,277,720
Assigned						163,317
Total Fund Balances	7,268,087					32,359,814
TOTAL LIABILITIES AND FUND BALANCES	$ 7,357,419	$ 3,833	$ 9,234	$ 7,921	$ 190,397	$ 32,735,369

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, 2025

Schedule 2

	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 and Clerk Retirement	Financial Stability	Parks and Recreation
REVENUES									
State aid	$ 41,111	$ 147							
Federal aid									
Property taxes									
Franchise fees									
Sales taxes									$ 6,220,320
Fines, forfeitures, and costs			$ 6,650		$ 40,435	$ 11,739	$ 4,865		
Interest	2,897	2,016	589	$ 48	6,461	6,580	3,316	$ 50,837	108,837
Local permits and fees		23,078							1,584,881
Advertising and promotion taxes									
Rental income									
Employer contributions									
Employee contributions									
Donations		45,294							141,660
Net increase/(decrease) in fair value of investments									
Other		100							350
TOTAL REVENUES	44,008	70,635	7,239	48	46,896	18,319	8,181	50,837	8,056,048
EXPENDITURES									
Current:									
General government									
Law enforcement		2,104,088			113,130				
Highways and streets									
Public safety									
Sanitation									
Recreation and culture									6,644,522
Water and sewer									
Total Current		2,104,088			113,130				6,644,522
Debt Service:									
Bond principal									
Bond interest and other charges									
Financed purchase principal									135,359
Financed purchase interest									7,798
TOTAL EXPENDITURES		2,104,088			113,130				6,787,679
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	44,008	(2,033,453)	7,239	48	(66,234)	18,319	8,181	50,837	1,268,369
OTHER FINANCING SOURCES (USES)									
Transfers in		2,054,924						599,756	
Transfers out									
Transfer to Arkansas Public Employee Retirement System									
Transfer to State of Arkansas Local Police and Fire Retirement System									
TOTAL OTHER FINANCING SOURCES (USES)		2,054,924						599,756	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	44,008	21,471	7,239	48	(66,234)	18,319	8,181	650,593	1,268,369
FUND BALANCES - JANUARY 1	78,333	83,980	16,553	1,623	238,502	213,528	108,102	1,610,470	5,200,817
FUND BALANCES - DECEMBER 31	$ 122,341	$ 105,451	$ 23,792	$ 1,671	$ 172,268	$ 231,847	$ 116,283	$ 2,261,063	$ 6,469,186

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, 2025

Schedule 2

	SPECIAL REVENUE FUNDS								
	Firemen's Pension	Police Equipment Grant	Fire Truck Reserve	Public Safety	Franchise Fees	Police Narcotics Seizure (State)	Police Narcotics Seizure (Federal)	Police Federal Treasury	Advertising and Promotion Commission
REVENUES									
State aid									
Federal aid		$ 14,790							
Property taxes	$ 738,619								
Franchise fees					$ 675,908				
Sales taxes				$ 5,620,430					
Fines, forfeitures, and costs						$ 27,870	$ 20,500		
Interest	6,631		$ 436	165,696	25,296		5,819	$ 2,545	$ 31,562
Local permits and fees									
Advertising and promotion taxes									418,176
Rental income									
Employer contributions									
Employee contributions									
Donations									
Net increase/(decrease) in fair value of investments									
Other									
TOTAL REVENUES	745,250	14,790	436	5,786,126	701,204	27,870	26,319	2,545	449,738
EXPENDITURES									
Current:									
General government					3,543				
Law enforcement		21,577		3,500,222		30,677	280,432	17,456	
Highways and streets									
Public safety				2,918,799					
Sanitation									
Recreation and culture									277,391
Water and sewer									
Total Current		21,577		6,419,021	3,543	30,677	280,432	17,456	277,391
Debt Service:									
Bond principal									
Bond interest and other charges									
Financed purchase principal									
Financed purchase interest									
TOTAL EXPENDITURES		21,577		6,419,021	3,543	30,677	280,432	17,456	277,391
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	745,250	(6,787)	436	(632,895)	697,661	(2,807)	(254,113)	(14,911)	172,347
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out					(1,000,000)				
Transfer to Arkansas Public Employee Retirement System									
Transfer to State of Arkansas Local Police and Fire Retirement System	(711,167)								
TOTAL OTHER FINANCING SOURCES (USES)	(711,167)				(1,000,000)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	34,083	(6,787)	436	(632,895)	(302,339)	(2,807)	(254,113)	(14,911)	172,347
FUND BALANCES - JANUARY 1	164,440	94,560	14,550	4,988,080	1,492,938	104,505	287,440	89,338	819,143
FUND BALANCES - DECEMBER 31	$ 198,523	$ 87,773	$ 14,986	$ 4,355,185	$ 1,190,599	$ 101,698	$ 33,327	$ 74,427	$ 991,490

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, 2025

Schedule 2

	SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS		TRUST FUND	
	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	City Employees' Pension	Totals
REVENUES								
State aid								$ 41,258
Federal aid								14,790
Property taxes								738,619
Franchise fees					$ 298,956			974,864
Sales taxes						$ 2,210,325		14,051,075
Fines, forfeitures, and costs								112,059
Interest	$ 34,180	$ 53,689	$ 76,130	$ 75,727	26,178	85,035	$ 362,943	1,133,448
Local permits and fees								1,607,959
Advertising and promotion taxes	208,792	411,175	1,149,464					2,187,607
Rental income	533,273							533,273
Employer contributions							344,412	344,412
Employee contributions							93,260	93,260
Donations								186,954
Net increase/(decrease) in fair value of investments							654,765	654,765
Other	17,683						3,524	21,657
TOTAL REVENUES	793,928	464,864	1,225,594	75,727	325,134	2,295,360	1,458,904	22,696,000
EXPENDITURES								
Current:								
General government				661,684			295,013	960,240
Law enforcement				1,493,183			148,561	7,709,326
Highways and streets							177,986	177,986
Public safety								2,918,799
Sanitation							790	790
Recreation and culture	596,240	63,708	1,468,825				104,050	9,154,736
Water and sewer				1,250,903				1,250,903
Total Current	596,240	63,708	1,468,825	3,405,770			726,400	22,172,780
Debt Service:								
Bond principal					1,120,000	1,010,000		2,130,000
Bond interest and other charges					197,775	1,287,531		1,485,306
Financed purchase principal								135,359
Financed purchase interest								7,798
TOTAL EXPENDITURES	596,240	63,708	1,468,825	3,405,770	1,317,775	2,297,531	726,400	25,931,243
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	197,688	401,156	(243,231)	(3,330,043)	(992,641)	(2,171)	732,504	(3,235,243)
OTHER FINANCING SOURCES (USES)								
Transfers in					1,000,000			3,654,680
Transfers out								(1,000,000)
Transfer to Arkansas Public Employee Retirement System							(4,422,708)	(4,422,708)
Transfer to State of Arkansas Local Police and Fire Retirement System								(711,167)
TOTAL OTHER FINANCING SOURCES (USES)					1,000,000		(4,422,708)	(2,479,195)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	197,688	401,156	(243,231)	(3,330,043)	7,359	(2,171)	(3,690,204)	(5,714,438)
FUND BALANCES - JANUARY 1	820,800	1,284,972	2,619,237	4,100,158	532,826	2,151,066	10,958,291	38,074,252
FUND BALANCES - DECEMBER 31	$ 1,018,488	$ 1,686,128	$ 2,376,006	$ 770,115	$ 540,185	$ 2,148,895	$ 7,268,087	$ 32,359,814

CITY OF BENTON, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2025

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

Fund Name	Fund Description
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.
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 and Clerk 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).
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.

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

Fund Name	Fund Description
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.
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.

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

Fund Name	Fund Description
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
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) established fund 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. Ordinance no. 37 of 2025 (July 28, 2025) froze the Pension Plan.
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 account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
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.

Schedule 3

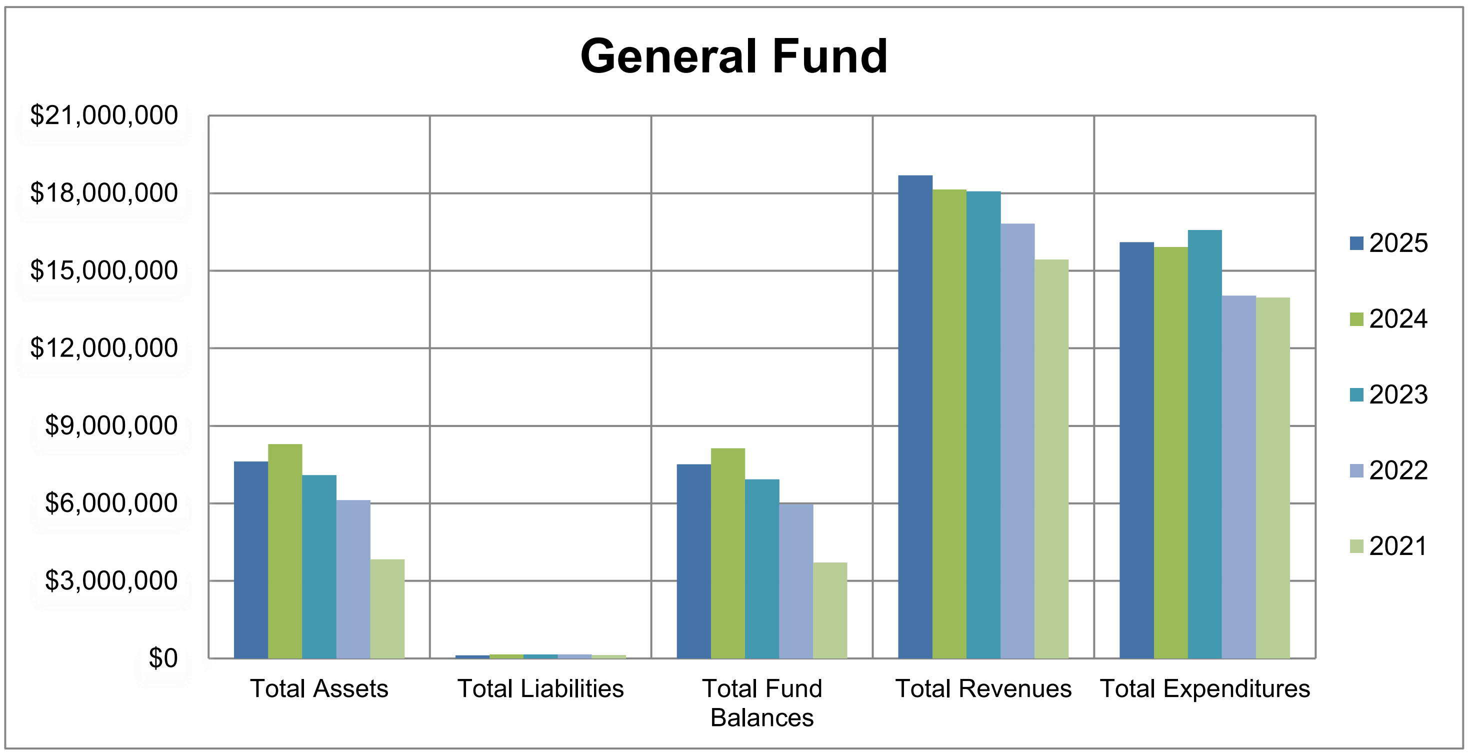
CITY OF BENTON, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2025
(Unaudited)

	December 31, 2025
Land	$ 12,726,177
Buildings & Improvements	81,236,153
Vehicles & Equipment	14,963,663
Construction in Progress	4,655,470
Total	$ 113,581,463

CITY OF BENTON, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2025
(Unaudited)

Schedule 4-1

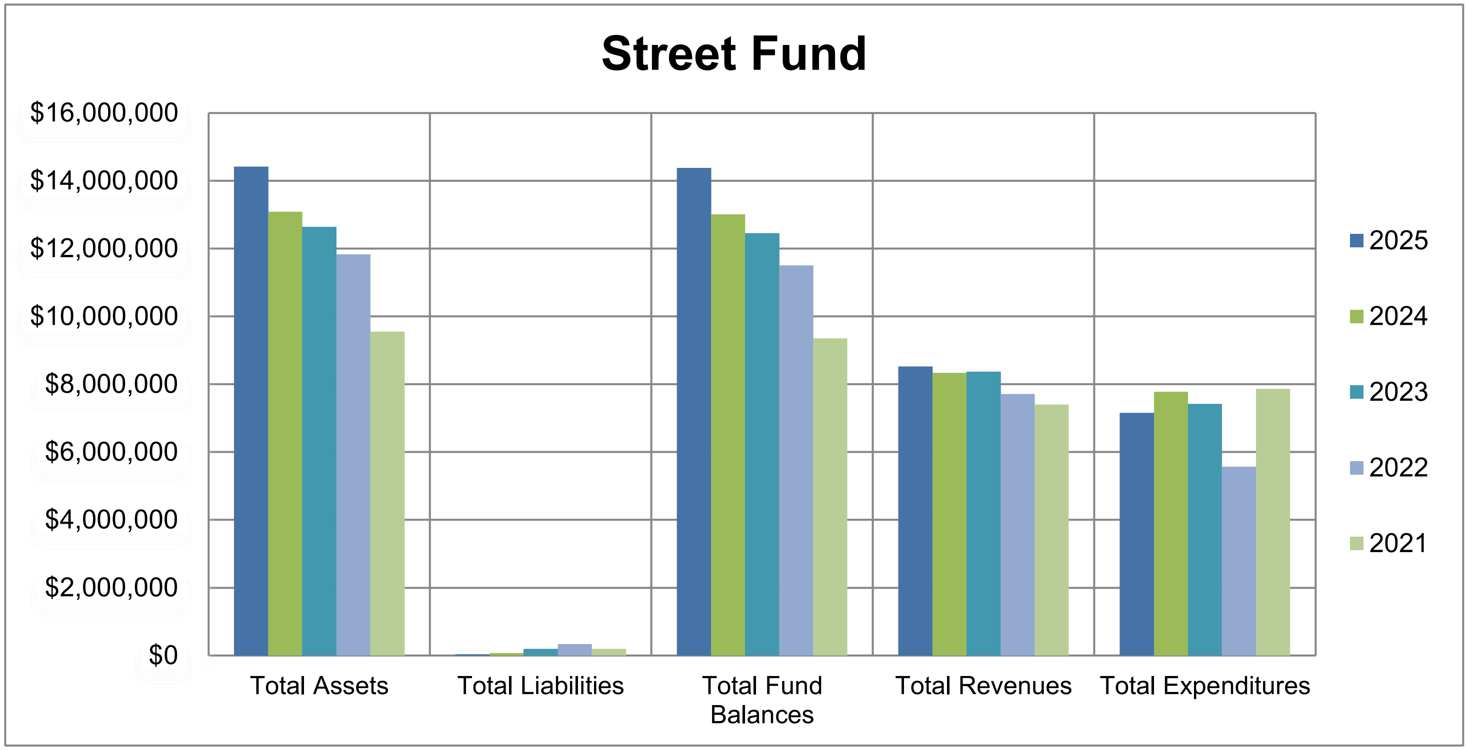
General	2025	2024	2023	2022	2021
Total Assets	$ 7,625,806	$ 8,284,605	$ 7,081,667	$ 6,119,641	$ 3,837,310
Total Liabilities	118,254	159,966	156,541	157,759	130,580
Total Fund Balances	7,507,552	8,124,639	6,925,126	5,961,882	3,706,730
Total Revenues	18,685,769	18,143,472	18,063,555	16,816,440	15,432,999
Total Expenditures	16,101,596	15,912,638	16,574,047	14,036,288	13,955,030
Total Other Financing Sources/Uses	(3,201,260)	(1,031,321)	(526,264)	(525,000)	(1,528,419)



CITY OF BENTON, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2025
(Unaudited)

Schedule 4-2

Street	2025	2024	2023	2022	2021
Total Assets	$ 14,415,595	$ 13,085,347	$ 12,646,705	$ 11,831,705	$ 9,551,361
Total Liabilities	37,393	70,013	191,791	332,062	195,539
Total Fund Balances	14,378,202	13,015,334	12,454,914	11,499,643	9,355,822
Total Revenues	8,517,596	8,335,187	8,370,336	7,711,604	7,398,803
Total Expenditures	7,154,728	7,774,767	7,415,065	5,567,783	7,859,640
Total Other Financing Sources/Uses					



CITY OF BENTON, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS

DECEMBER 31, 2025

(Unaudited)

Schedule 4-3

Other Funds in the Aggregate	2025	2024	2023	2022	2021
Total Assets	$ 32,735,369	$ 38,874,941	$ 35,131,955	$ 35,197,074	$ 32,354,270
Total Liabilities	375,555	805,949	406,391	545,762	697,592
Total Fund Balances	32,359,814	38,068,992	34,725,564	34,651,312	31,656,678
Total Revenues	22,696,000	22,630,310	22,174,057	22,018,322	22,655,705
Total Expenditures	25,931,243	20,385,502	21,698,225	19,117,811	15,968,938
Total Other Financing Sources/Uses	(2,479,195)	1,098,620	(401,580)	94,123	1,128,442