

OFFICIAL  
FILE COPY  
**DO NOT SEND OUT**

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

RECEIVED  
LEGISLATIVE AUDITOR

2000 JUN 30 AM 11:33

# ***COMPREHENSIVE FINANCIAL REPORT***

*of the*

# ***TOWN OF BENTON, LOUISIANA***

*for the*

# ***YEAR ENDED DECEMBER 31, 1999***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-23-00

TOWN OF BENTON, LOUISIANA

General Purpose Annual Financial Report

For the Year Ended December 31, 1999

Table of Contents

	<u>Page (s)</u>
INDEPENDENT AUDITOR'S REPORT	1-2
COMBINED FINANCIAL STATEMENTS - OVERVIEW ("LIFTABLE" GENERAL PURPOSE FINANCIAL STATEMENTS)	
Combined Balance Sheet - All Fund Types and Account Groups	3-4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Govern- mental Fund Types	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Fund Types	6
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings - Enterprise Fund	7
Comparative Statement of Cash Flows - Enterprise Fund	8
Notes to Financial Statements	9-24
ADDITIONAL INFORMATION - COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP - STATEMENTS AND SCHEDULES	
Governmental Funds:	
General Fund:	
Comparative Balance Sheets	25
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	26
Special Revenue Funds:	
Combining Balance Sheets	27
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	28

TOWN OF BENTON, LOUISIANA  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 1999

Table of Contents

	<u>Page (s)</u>
Debt Service Fund:	
Street Sales Tax Debt Service Fund - Comparative Balance Sheets	29
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance	30
Capital Projects Funds:	
Comparative Balance Sheets	31
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance	32
Proprietary Funds:	
Enterprise Fund:	
Department of Water, Sewerage and Solid Waste Disposal - Comparative Balance Sheets	33-34
Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings	35
Comparative Statements of Cash Flows	36
Account Groups:	
General Fixed Assets Account Group:	
Comparative Schedules of General Fixed Assets - by Source	37
Statement of Changes in General Fixed Assets	38
General Long-Term Obligation Account Group:	
Schedule of Changes in Long-Term Obligations	39

TOWN OF BENTON, LOUISIANA  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 1999

Table of Contents

	<u>Page(s)</u>
<b><u>SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Compensation Paid the Mayor and Board of Aldermen	40
<b><u>OTHER REPORTS</u></b>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Audit Standards</i>	41-42
Summary Schedule of Prior Audit Findings	43
Schedule of Current Period Audit Findings	43
Schedule of Prior Audit Findings For Louisiana Legislative Auditor	44
Schedule of Current Audit Findings For Louisiana Legislative Auditor	45

# ***FINANCIAL SECTION***

---

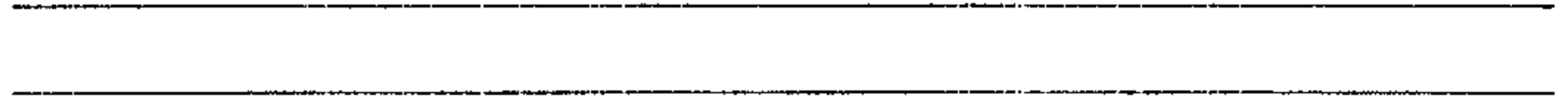
---

**INDEPENDENT AUDITOR'S REPORT**

**COMBINED FINANCIAL STATEMENTS - OVERVIEW**

**COMBINING AND INDIVIDUAL FUND  
and ACCOUNT GROUP STATEMENTS**

***INDEPENDENT  
AUDITOR'S REPORT***



# James T. Bates

CERTIFIED PUBLIC ACCOUNTANT  
612 BARKSDALE BOULEVARD  
BOSSIER CITY, LOUISIANA 71111

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE  
(318) 742-5238  
FAX (318) 742-5766

## Independent Auditor's Report

The Honorable Carl F Janzen, Mayor  
and the Honorable members of the Board of Aldermen  
Town of Benton, Louisiana

I have audited the general purpose financial statements and the combining, individual fund, and individual account group financial statements of the Town of Benton, Louisiana, as of and for the year ended December 31, 1999, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the Town of Benton, Louisiana. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

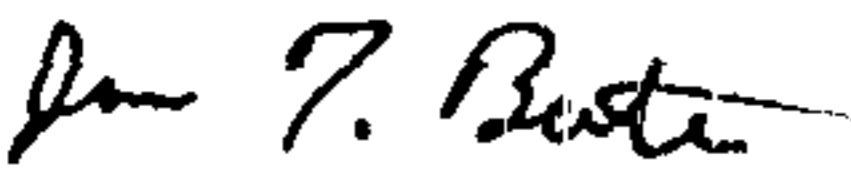
I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Benton, Louisiana, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in my opinion, the combining, individual fund, and individual account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and individual account groups of the Town of Benton, Louisiana, at December 31, 1999 and the results of

operations of such funds and the cash flows of the individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

The Schedule of Compensation Paid the Mayor and Board of Aldermen on page 40 is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Benton, Louisiana. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 23, 2000, on my consideration of the internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

  
June 23, 2000



**GENERAL PURPOSE  
FINANCIAL STATEMENTS  
- OVERVIEW**

---

---

The Combined Financial Statements include all funds and account groups of the Town and are designed to provide an overview of the financial position and results of operations for the Town as a whole. Additional information in the form of schedules is included elsewhere in this report.

TOWN OF BENTON, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1999

With Comparative Figures for 1998

ASSETS	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups			Totals (Memorandum Only) 1998
	General	Special Revenue	Debt Service		Capital Projects	General Fixed Assets	Long-Term Obligation	
Cash and Cash Equivalents (Note 2)	\$ 667,583	\$ 340,573	\$ 80,291	\$ 30,974	\$ 836,291	\$ -0-	\$ -0-	\$ 1,955,712
Receivables:								
Ad Valorem								
Taxes (Note 3)	18,486	-0-	-0-	-0-	-0-	-0-	-0-	18,486
Customers	-0-	-0-	-0-	-0-	73,905	-0-	-0-	73,905
Notes	-0-	5,016	-0-	-0-	-0-	-0-	-0-	5,016
Other	24,152	19,889	-0-	-0-	9,944	-0-	-0-	53,985
Due from Other Funds (Note 11)	3,747	-0-	-0-	-0-	60,120	-0-	-0-	63,867
Restricted Assets								
Cash and Cash Equivalents (Note 2)	2,208	-0-	-0-	-0-	1,726,581	-0-	-0-	1,728,789
Land	-0-	-0-	-0-	-0-	-0-	192,102	-0-	192,102
Buildings	-0-	-0-	-0-	-0-	-0-	616,511	-0-	616,511
Equipment	-0-	-0-	-0-	-0-	-0-	446,529	-0-	446,529
Utility Plant and Equipment (Note 4)	-0-	-0-	-0-	-0-	3,402,101	-0-	-0-	3,402,101
Accumulated Depreciation (Note 4)	-0-	-0-	-0-	-0-	(1,000,992)	-0-	-0-	(918,479)
Other Assets	-0-	-0-	-0-	-0-	96,261	-0-	-0-	96,261
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Amount Available in Debt Service Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Amount to be Provided for Retirement of General Long-Term Debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	\$ 716,176	\$ 365,478	\$ 80,291	\$ 30,974	\$ 5,204,211	\$ 1,255,142	\$ 425,000	\$ 8,077,272
Total Assets								\$ 7,033,940

(Continued)

TOWN OF BENTON, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
December 31, 1999

With Comparative Figures for 1998

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only) 1998
	General	Special Revenue	Debt Service		Capital Projects	General Fixed Assets	
<b>LIABILITIES AND FUND EQUITY</b>							
Liabilities:							
Accounts Payable	\$ 17,042	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 162,247
Payable from Restricted Assets							
Customers' Deposits	-0-	-0-	-0-	77,197	-0-	-0-	73,177
Current Portion of Long Term Debt	-0-	-0-	-0-	20,000	-0-	-0-	10,000
Due to Other Funds (Note 11)	60,120	3,747	-0-	-0-	-0-	-0-	67,521
Deferred Revenues	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Bonds Payable	-0-	-0-	-0-	880,000	-0-	-0-	400,000
Enterprise Funds	-0-	-0-	-0-	-0-	-0-	425,000	450,000
General City Operations							
Total Liabilities	<u>77,162</u>	<u>3,747</u>	<u>-0-</u>	<u>1,016,940</u>	<u>-0-</u>	<u>425,000</u>	<u>1,162,945</u>
Fund Equity:							
Contributed Capital (Note 8)	-0-	-0-	-0-	1,497,832	-0-	-0-	1,454,583
Investment in General Fixed Assets	-0-	-0-	-0-	-0-	1,255,142	-0-	1,217,482
Retained Earnings: Reserved for:							
Revenue Bond Requirements	-0-	-0-	-0-	68,920	-0-	-0-	20,870
Capital Additions	-0-	-0-	-0-	875,990	-0-	-0-	769,689
Unreserved	-0-	-0-	-0-	1,744,529	-0-	-0-	1,531,539
Fund Balances: Reserved for:							
Debt Service	-0-	-0-	80,291	-0-	-0-	-0-	79,120
Unreserved:							
Designated for Subsequent Year Expenditures	-0-	-0-	-0-	-0-	-0-	-0-	30,331
Designated for Housing Rehabilitation	-0-	65,831	-0-	-0-	-0-	-0-	64,409
Designated for Streets and Drainage Improvements	-0-	295,900	-0-	-0-	-0-	-0-	274,940
Undesignated	639,014	-0-	-0-	-0-	-0-	-0-	428,032
Total Fund Equity	<u>639,014</u>	<u>361,731</u>	<u>80,291</u>	<u>4,187,271</u>	<u>1,255,142</u>	<u>-0-</u>	<u>5,870,995</u>
Total Liabilities and Fund Equity	<u>\$ 716,176</u>	<u>\$ 365,478</u>	<u>\$ 80,291</u>	<u>\$ 5,204,211</u>	<u>\$ 1,255,142</u>	<u>\$ 425,000</u>	<u>\$ 7,033,940</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 1999

With Comparative Totals for Year Ended December 31, 1998

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
					1999
Revenues:					
Taxes (Notes 3 and 6)	\$ 266,734	\$ 182,988	\$ -0-	\$ -0-	\$ 449,722
Licenses and Permits	88,298	-0-	-0-	-0-	88,298
Intergovernmental	148,848	92,845	-0-	-0-	241,693
Fines and Forfeits	123,066	-0-	-0-	-0-	123,066
Miscellaneous	14,703	-0-	-0-	-0-	14,703
Interest	16,400	7,449	1,777	643	26,269
Total Revenues	<u>658,049</u>	<u>283,282</u>	<u>1,777</u>	<u>643</u>	<u>943,751</u>
Expenditures:					
Current:					
General Government	178,312	-0-	-0-	-0-	178,312
Public Safety - Police	182,043	-0-	-0-	-0-	182,043
Streets and Drainage	160,293	-0-	-0-	-0-	160,293
Maintenance	38,317	-0-	-0-	-0-	38,317
Project Expenditures and Engineering Fees	-0-	92,845	-0-	-0-	92,845
Debt Service	-0-	-0-	25,000	-0-	25,000
Principal Retirement (Note 5)	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges (Note 5)	-0-	31,763	-0-	-0-	31,763
Total Expenditures	<u>558,965</u>	<u>92,845</u>	<u>56,763</u>	<u>-0-</u>	<u>708,573</u>
Excess (Deficiency) of Revenues Over Expenditures	99,084	190,437	(54,986)	643	235,178
Other Financing Sources (Uses):					
Operating Transfers In (Note 11)	111,898	-0-	56,157	-0-	168,055
Operating Transfers Out (Note 11)	-0-	(168,055)	-0-	-0-	(168,055)
Recovery of Bad Debts	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>111,898</u>	<u>(168,055)</u>	<u>56,157</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	210,982	22,382	1,171	643	235,178
Fund Balances at Beginning of Year	428,032	339,349	79,120	30,331	876,832
Fund Balances at End of Year	<u>\$ 639,014</u>	<u>\$ 361,731</u>	<u>\$ 80,291</u>	<u>\$ 30,974</u>	<u>\$ 1,112,010</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCES - BUDGET AND ACTUAL -  
GENERAL AND SPECIAL REVENUE FUND TYPES  
Year Ended December 31, 1999

	General Fund			Special Revenue Fund Types			Totals (Memorandum Only)		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>									
Taxes	\$ 247,480	\$ 266,734	\$ 19,254	\$ 164,830	\$ 182,988	\$ 18,158	\$ 412,310	\$ 449,722	\$ 37,412
Licenses and Permits	87,950	88,298	348	-0-	-0-	-0-	87,950	88,298	348
Intergovernmental	148,650	148,848	198	-0-	92,845	92,845	148,650	241,693	93,043
Fines and Forfeits	119,660	123,066	3,406	-0-	-0-	-0-	119,660	123,066	3,406
Miscellaneous	14,000	14,703	703	-0-	-0-	-0-	14,000	14,703	703
Interest	13,240	16,400	3,160	7,600	7,449	(151)	20,840	23,849	3,009
<b>Total Revenues</b>	<b>630,980</b>	<b>658,049</b>	<b>27,069</b>	<b>172,430</b>	<b>283,282</b>	<b>110,852</b>	<b>803,410</b>	<b>941,331</b>	<b>137,921</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General Government	173,500	178,312	(4,812)	-0-	-0-	-0-	173,500	178,312	(4,812)
Public Safety:									
Police	186,351	182,043	4,308	-0-	-0-	-0-	186,351	182,043	4,308
Streets and Drainage	156,760	160,293	(3,533)	-0-	-0-	-0-	156,760	160,293	(3,533)
Project Expenditures and									
Engineering Fees	-0-	-0-	-0-	-0-	92,845	(92,845)	-0-	92,845	(92,845)
Maintenance	42,075	38,317	3,758	-0-	-0-	-0-	42,075	38,317	3,758
<b>Total Expenditures</b>	<b>558,686</b>	<b>558,965</b>	<b>(279)</b>	<b>-0-</b>	<b>92,845</b>	<b>(92,845)</b>	<b>558,686</b>	<b>651,810</b>	<b>(93,124)</b>
<b>Excess (Deficiency) of Revenues</b>									
<b>over Expenditures</b>	<b>72,294</b>	<b>99,084</b>	<b>26,790</b>	<b>172,430</b>	<b>190,437</b>	<b>18,007</b>	<b>244,724</b>	<b>289,521</b>	<b>44,797</b>
<b>Other Financing Sources (Uses):</b>									
Operating Transfers In	111,893	111,898	-0-	-0-	-0-	-0-	111,898	111,898	-0-
Operating Transfers Out	-0-	-0-	-0-	(167,398)	(168,055)	(657)	(167,398)	(168,055)	(657)
Recovery of Bad Debts	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Other Financing</b>									
<b>Sources (Uses)</b>	<b>111,898</b>	<b>111,898</b>	<b>-0-</b>	<b>(167,398)</b>	<b>(168,055)</b>	<b>(657)</b>	<b>(55,500)</b>	<b>(56,157)</b>	<b>(657)</b>
<b>Excess (Deficiency) of Revenues and</b>									
<b>Other Sources over Expenditures</b>	<b>184,192</b>	<b>210,982</b>	<b>26,790</b>	<b>5,032</b>	<b>22,382</b>	<b>17,350</b>	<b>189,224</b>	<b>233,364</b>	<b>44,140</b>
<b>and Other Uses</b>	<b>428,032</b>	<b>428,032</b>	<b>-0-</b>	<b>339,349</b>	<b>339,349</b>	<b>-0-</b>	<b>767,381</b>	<b>767,381</b>	<b>-0-</b>
<b>Fund Balances at Beginning of Year</b>									
<b>Fund Balances at End of Year</b>	<b>\$ 612,224</b>	<b>\$ 639,014</b>	<b>\$ 26,790</b>	<b>\$ 344,381</b>	<b>\$ 361,731</b>	<b>\$ 17,350</b>	<b>\$ 956,605</b>	<b>\$ 1,000,745</b>	<b>\$ 44,140</b>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA  
ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating Revenues:		
Charges for Services:		
Metered Water Sales	\$ 515,877	\$ 540,176
Sewerage Service Charges	195,318	172,340
Solid Waste Disposal Service Charges	79,416	75,085
Customer Billing Service Charge	<u>50,893</u>	<u>49,388</u>
	841,504	836,989
Miscellaneous Revenues	<u>35,002</u>	<u>31,531</u>
Total Revenues	<u>876,506</u>	<u>868,520</u>
Operating Expenses:		
Personal Services	171,079	147,403
Purchase of Water	238,150	237,442
Supplies	11,991	11,784
Utilities	18,957	20,249
Repairs and Maintenance	67,629	45,736
Contractual Services		
and Tipping Fees	73,766	68,757
Miscellaneous	40,848	26,296
Depreciation	<u>81,832</u>	<u>72,784</u>
Total Expenses	<u>704,252</u>	<u>630,451</u>
Operating Income (Loss)	<u>172,254</u>	<u>238,069</u>
Nonoperating Revenues (Expenses):		
Grant Revenue	25,000	25,000
Interest Income	51,670	55,460
Interest Expense	(20,870)	(10,910)
Sales Taxes	92,151	83,309
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>
Total Nonoperating Revenues (Expenses)	<u>147,951</u>	<u>152,859</u>
Net Income	320,205	390,928
Amounts charged to Contribution Accounts -		
Depreciation on Contributed Assets	49,596	47,276
Retained Earnings at Beginning of Year	2,322,098	1,883,894
Prior Period Adjustment	<u>(2,460)</u>	<u>-0-</u>
Retained Earnings at End of Year	<u>\$2,689,439</u>	<u>\$2,322,098</u>

See accompanying notes to combined financial statements.



TOWN OF BENTON, LOUISIANA  
ENTERPRISE FUND  
DEPARTMENT OF WATER, SEWERAGE AND SOLID WASTE DISPOSAL

COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash Flows from Operating Activities:		
Operating Net Income (Loss)	\$ 172,254	\$ 238,069
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	81,832	72,784
(Increase) Decrease in Accounts Receivable - Customers	(29,652)	1,937
Increase (Decrease) in Accounts Payable	(108,785)	122,993
(Increase) Decrease in Due from Other Funds	3,654	1,889
Increase in Customers' Refundable Deposits	<u>4,020</u>	<u>4,308</u>
Net Cash Provided (Used) by Operating Activities	<u>123,323</u>	<u>441,980</u>
Cash Flows from Noncapital Financing Activities:		
Sales Tax Collected	92,151	83,309
Operating Transfers Out	-0-	-0-
Grant Revenue	<u>25,000</u>	<u>25,000</u>
Net Cash Flows from Noncapital Financing Activities	<u>117,151</u>	<u>108,309</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(225,537)	(429,567)
Proceeds from Sale of Revenue Bonds	490,000	410,000
Interest Paid of Revenue Bonds	<u>(20,870)</u>	<u>(10,910)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>243,593</u>	<u>(30,477)</u>
Cash Flows from Investing Activities:		
Interest Income	<u>51,670</u>	<u>55,460</u>
Net Cash Provided by Investing Activities	<u>51,670</u>	<u>55,460</u>
Net Increase in Cash and Cash Equivalents	535,737	575,272
Cash and Cash Equivalents at Beginning of Year	<u>2,027,135</u>	<u>1,451,863</u>
Cash and Cash Equivalents at End of Year	<u>\$2,562,872</u>	<u>\$2,027,135</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1999

(1) Summary of Significant Accounting Policies -

The Town of Benton, Louisiana was incorporated August 16, 1902, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The Town provides the following services as authorized by the Act: public health and safety, streets, sanitation, water and sewerage, planning and zoning, recreation, and general administrative services. Education and welfare are administered by other governmental entities.

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the Town of Benton (the primary government) and its component unit. The component unit discussed below is included in the Town's reporting entity because of the significance of its operational or financial relationships with the Town.

**Blended Component Unit**

**Metropolitan Planning Commission**

The Metropolitan Planning Commission is responsible for the orderly physical development of the Town and the surrounding planning area. The Commission makes recommendations to the Board of Aldermen and the Parish Police Jury. The Metropolitan Planning Commission consists of five members with two appointed by both Town and the Bossier Parish Police Jury and one member is elected by joint action of the governing authorities. Although the Commission is legally separate, the Town acts as its fiscal agent and has the ability to modify and approve its budget. Separate financial statements are not issued on the Commission since its revenues and expenditures have been historically included as part of the General Fund within the Town's financial statements. Since the Commission provides services almost entirely to the Town and due to the significance of the fiscal dependency relationship, it has been blended with the Town's financial statements.

The accounting policies of the Town of Benton, Louisiana, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

(A) Basis of Presentation - Fund Accounting

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing  
(Continued)



TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Town:

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. All governmental funds are accounted for on a spending measurement focus; that is, the measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Town's governmental fund types:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds at December 31, 1999 consisted of two Louisiana Community Development Block Grants and an One Cent Sales Tax - Streets.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund receives a portion of sales taxes paid to the Town.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

PROPRIETARY FUNDS

Proprietary Funds are used to account for the Town's ongoing organizations and activities which are similar to those often found in the private sector. All proprietary funds are accounted for on a capital maintenance measurement focus; that is, the measurement focus is upon determination of net income. The following proprietary fund is maintained by the Town:

Enterprise Fund - The Enterprise Fund is used to account for operations (A) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (B) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

income is appropriate for capital maintenance, public policy management control, accountability, or other purposes. The Town's Enterprise Fund is the Department of Water, Sewerage and Solid Waste Disposal.

The Department of Water, Sewerage and Solid Waste Disposal is operated as a self-sustaining utility of the Town and is responsible for providing the residents of the Town of Benton, Louisiana, with water, sewerage treatment and solid waste disposal.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Town's general fixed assets and general long-term obligations. The following are the Town's account groups:

General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the Town, other than those accounted for in the proprietary funds.

General Long-Term Obligation Account Group - This group of accounts is established to account for all long-term obligations of the Town other than those accounted for in the proprietary funds.

(B) Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. This reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Long-term liabilities expected to be financed from governmental funds are  
(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

accounted for in the General Long-Term Obligation Account Group, not in the governmental funds. Long-term liabilities accounted for in the General Long-Term Obligation Account Group are retired from the General Fund and Debt Service Funds while long-term liabilities accounted for in the proprietary funds are retired from the respective funds in which they are recorded.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Obligation Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets (including fixed assets) and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by a proprietary fund is charged as an expense against its operations. Depreciation recognized on fixed assets acquired through intergovernmental grants, entitlements, or shared revenues externally restricted to capital acquisitions is allocated to contributed capital, while depreciation on fixed assets acquired with proprietary fund resources is allocated to retained earnings.

Accumulated depreciation is reported on the proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	15-50 years
Water reservoir and treatment plant	10-40 years
Transmission and distribution system	10-40 years
Equipment	3-10 years

(C) Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by all governmental funds (General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds). Under the modified accrual basis of accounting, revenues are

(Continued)



TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for general governmental services, fines and penalties, and miscellaneous other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

The accrual basis of accounting is used by the Proprietary Fund. Revenues are recognized when earned and expenses are recognized when incurred.

The Town applies all applicable Government Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins.

(D) BUDGETARY DATA

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. Amendments to the budget were made and adopted by the Board of Aldermen during 1999.

6. The Town utilizes formal budgetary integration as a management control device for the General, Special Revenue and Capital Project Funds. The process is not employed for the Debt Service Funds because effective budgetary control is achieved through general bond indenture provisions.

(E) ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

(F) INVENTORIES

Inventories of expendable supplies, repair materials, spare parts, etc. whose value at December 31, 1999 is estimated to be immaterial by management and is, therefore, not recorded on the Balance Sheet of the appropriate funds.

(G) REFUNDABLE DEPOSITS

The Department of Water, Sewerage and Solid Waste Disposal of the Town of Benton requires that its customers place a deposit before service is rendered. These monies are restricted by Town ordinance and are on deposit at an area financial institution in a restricted account.

(H) CONTRIBUTIONS

Contributions recorded in the Department of Water, Sewerage and Solid Waste Disposal include amounts advanced for aid in construction and other expenses paid or incurred on behalf of these funds by the Town of Benton-General Fund and Capital Projects Funds, various Federal and State grants-in-aid of construction, and other contributions-in-aid of construction primarily from contractors and developers. The contributions or grants-in-aid of construction received do not reduce the cost basis of the respective assets acquired. Such contributions and grants are charged currently with the depreciation of the respective assets.

(Continued)

TOWN OF BENTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

(I) VACATION

Town employees are granted vacation in varying amounts. The maximum allowable accumulation of vacation is up to 20 working days. In the event of termination, an employee is reimbursed for accumulated vacation days up to the maximum allowable accumulation. Accumulated vacation is estimated to be immaterial by management and is, therefore, not accrued.

(J) COMPARATIVE TOTAL DATA

Comparative total data for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read. Certain amounts relating to prior years have been reclassified in the accompanying financial statements in order to conform with the current year presentation.

(K) TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.

(L) PENSION PLANS

All employees of the Town of Benton are covered either by the Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System. Also, all employees of the Town of Benton are covered by the Federal Social Security System.

(M) RESERVES

Use of the term "Reserve" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance is not appropriable for expenditures or is legally segregated for a specific future use.

(N) INTERFUND TRANSACTIONS

Interfund transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the Town, are accounted for as revenues, expenditures or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. Operating transfers to the appropriate funds are distinguished from revenues,

(Continued)



TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

expenses or expenditures in the financial statements. These transfers are reported in the "Other Financing Sources (Uses)" section in the statement of revenues, expenditures, and changes in fund balance (governmental funds) and in the "Operating Transfers" section in the statement of revenues, expenses, and changes in retained earnings (proprietary funds).

(O) PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied in November of each year and are due on or before December 31. The Town bills and collects its own property taxes.

The Town currently levies the maximum tax allowed by State statutes and the Louisiana Constitution for general governmental services other than taxes for special purposes or the payment of long-term debt. The Town is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose for the payment of principal and interest on long-term debt after approval by the voters of the Town.

(P) GRANTS FROM OTHER GOVERNMENTAL AGENCIES

Federal and state governmental agencies represent an important source of supplementary funding to finance housing, employment and construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, and Enterprise Funds. A grant receivable is recorded when the Town has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representative.

(Q) CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the Town considers cash in operating bank accounts, cash on hand and certificates of deposit (including restricted assets) as cash and cash equivalents.

(R) POST RETIREMENT BENEFITS

The Town provides no post retirement benefits to its employees.

(2) CASH

All deposits of the Town are held in area financial institutions. At December 31, 1999, the carrying amount of the Town's deposits was \$3,750,932 and the bank balance was \$3,684,501. This difference is due to the significant outstanding checks at December 31, 1999. All deposits are insured or collateralized with securities held in the Town's name by the trust department of the pledging banks.

The Town maintains separate cash accounts for each fund of the Town.

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

The Town's deposits at year-end were entirely covered by Federal Depository insurance or by collateral held by the Town's pledging banks in the Town's name.

(3) AD VALOREM PROPERTY TAXES

The Town levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Town on property values assessed by the Bossier Parish Tax Assessor and approved by the State of Louisiana Tax Commission. Total assessed value was \$4,388,010 and \$4,237,570 in 1999 and 1998, respectively. Property taxes are recorded as receivables and revenues in the year assessed. An allowance for doubtful accounts for uncollectible taxes is estimated to be immaterial by management and is, therefore, not accrued.

The distribution of the Town's levy (tax rate per \$1,000 assessed value) was as follows for 1999 and 1998:

	<u>Levy</u>	
	<u>1999</u>	<u>1998</u>
General Fund - Unrestricted	7.23	7.23
Restricted	4.96	4.96

A revaluation of all property is required to be completed no less than every 4 years. A revaluation was completed for the tax roll of January 1, 1996.

Ad valorem property taxes paid under protest are deposited into a restricted bank account and total \$2,208 for the period ended December 31, 1999.

(4) FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, <u>1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1999</u>
Land	\$ 192,102	\$ -0-	\$ -0-	\$ 192,102
Buildings	616,511	-0-	-0-	616,511
Equipment	<u>408,869</u>	<u>37,660</u>	<u>-0-</u>	<u>446,529</u>
Total General Fixed Assets	<u>\$1,217,482</u>	<u>\$ 37,660</u>	<u>\$ -0-</u>	<u>\$1,255,142</u>

(Continued)



TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

A summary of proprietary fund property, plant and equipment at December 31, 1999 and 1998 follows:

	<u>1999</u>	<u>1998</u>
Department of Water:		
Land	\$ 2,000	\$ 2,000
Distribution System	<u>1,464,451</u>	<u>1,369,218</u>
	1,466,451	1,371,218
Less Accumulated Depreciation	<u>(454,790)</u>	<u>(416,300)</u>
Total Department of Water	<u>1,011,661</u>	<u>954,918</u>
Department of Sewerage:		
Land	18,000	18,000
Sewer Treatment System	<u>1,899,327</u>	<u>1,525,704</u>
	1,917,327	1,543,704
Less Accumulated Depreciation	<u>(530,564)</u>	<u>(488,391)</u>
Total Department of Sewerage	<u>1,386,763</u>	<u>1,055,313</u>
Department of Solid Waste Disposal:		
Equipment	18,324	18,324
Less Accumulated Depreciation	<u>(15,639)</u>	<u>(13,788)</u>
Total Department of Solid Waste Disposal	<u>2,685</u>	<u>4,536</u>
Total Proprietary Fund Type	<u>\$2,401,109</u>	<u>\$2,014,767</u>

(5) LONG-TERM DEBT

The following is a summary of changes in general long term obligations.

	<u>Revenue</u>	<u>Total</u>
Debt Payable at January 1, 1999	\$ 450,000	\$ 450,000
Debt Retired - Serial Bonds	<u>(25,000)</u>	<u>(25,000)</u>
Bonds Payable at December 31, 1999	<u>\$ 425,000</u>	<u>\$ 425,000</u>

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

The following is a summary of all revenue bond transactions for the year ended December 31, 1999.

Bonds Payable at January 1, 1999	\$ 860,000
New Issue	500,000
Debt Retired - Serial Bonds	<u>    (35,000)</u>
Bonds Payable at December 31, 1999	<u>\$1,325,000</u>

In addition to \$35,000 of debt retired, the Town paid \$52,633 in interest and fiscal charges in 1999.

Debts Payable at December 31, 1999 are comprised of the following issues:

Revenue Bonds - Applicable to  
General Town Operations:

\$585,000 1990 public improvement sales tax bonds due in annual installments of \$15,000 to \$55,000 through July 1, 2010; interest at 7.00% to 12.00%; callable on or after July 1, 1997	\$ 425,000
---	------------

Revenue Bonds - Applicable to  
Water and Sewer Operations:

\$410,000 1998 sewer improvement sales tax bonds due in annual installments of \$10,000 to \$35,000 through February 1, 2018; interest at 7.00% to 5.00%; callable on or after February 1, 2008	400,000
---	---------

\$500,000 1999 utilities revenue bonds due in annual installments of \$10,000 to \$35,000 through October 1, 2024; interest at 8.00% to 5.15%; callable on or after October 1, 2009	<u>500,000</u>
---	----------------

Total Revenue Bonds	<u>\$1,325,000</u>
---------------------	--------------------

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize all debt outstanding as of December 31, 1999, including interest payments of \$889,683 are as follows:

Year Ending December 31,	Sales Tax Bond Series 1990	Sales Tax Bond Series 1998	Revenue Tax Bond Series 1999	Total
2000	\$ 55,295	\$ 30,170	\$ 38,750	\$ 124,215
2001	53,545	29,480	38,175	121,200
2002	56,795	33,668	37,600	128,063
2003	54,695	32,745	37,025	124,465
2004	57,565	31,864	36,450	125,879
2005 - 2009	295,440	161,274	191,900	648,614
2010 and thereafter	<u>58,960</u>	<u>304,049</u>	<u>579,238</u>	<u>942,247</u>
Totals	\$ <u>632,295</u>	\$ <u>623,250</u>	\$ <u>959,138</u>	\$ <u>2,214,683</u>

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in substantial compliance with all significant limitations and restrictions.

The Debt Service Fund has been dedicated revenues from proceeds from the Town's sales tax revenues, to the extent of current year debt service requirements for retirement of the Sales Tax Bonds Series 1990. In 1999, the total sales taxes dedicated to the Debt Service Fund amounted to \$80,291.

In January 1998, the Town issued \$410,000 in Sales Tax Revenue Bonds, Series 1998, for sewer improvements. The debt is to be serviced by proceeds from the one-half cent sewer sales tax. Principal and interest paid in 1999 were \$10,000 and \$20,870, respectively.

In October, 1999, the Town issued \$500,000 in Utilities Revenue Bonds, Series 1999, for sewer improvements. The debt is to be serviced by proceeds from a rate increase in sewer charges to the customers discharging into the system.

State law allows a maximum of 10% of assessed valuation of bonded debt for any one purpose or 35% of the total assessed value for all purposes. The Town's assessed property value at December 31, 1999 is \$4,388,010, the maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 1999 is \$438,801 and \$1,535,804. The Town currently has no general bonded debt outstanding. Therefore, at December 31, 1999, the Town has a debt margin of \$1,535,804 available for issuance pursuant to the 35% limitation.

**(6) SALES TAX**

The General Fund and Special Revenue Fund accounts for the collection of a one cent sales and use tax each and the distribution of these taxes to other funds of the Town. Also, the enterprise fund accounts for an one-half cent sales and use tax dedicated for sewer system improvements and upkeep. For financial reporting purposes, sales taxes are recorded as revenue in the General, Special Revenue and Enterprise Funds net of collection expenses.

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

In 1989, the voters approved the issuance of public improvement bonds and rededicated the proceeds from the original one cent sales tax to pay any balance due to service the annual debt not covered by an additional one cent sales tax approved in conjunction with the bonds. Any remaining proceeds are used to pay general operating expenses of the Town.

In 1989, an additional one cent sales tax was approved by the voters. This revenue, net of expenses incurred in collecting the tax, is to be used for scheduled monthly payments to the Debt Service Fund for debt service requirements, the remaining amount if any, is to be used for street and drainage improvements.

In 1990, a half cent sales tax was approved by the voters for the purpose of paying for improvements to and the upkeep of the Sewer System within the Town.

In 1989 and effective January 1, 1990, the Town entered into an agreement with the City of Bossier City, Louisiana for the City of Bossier City, Louisiana to collect and distribute to the Town its two and one-half cent sales and use tax. The City of Bossier City, Louisiana charges 1% of the sales tax collected for these services.

**(7) SPECIAL REVENUE FUNDS**

**Louisiana Community Development Block Grant Fund -**

In 1988, the Town completed a comprehensive Community Development Block Grant from the Department of Housing and Urban development. A portion of this grant was used to rehabilitate housing for the Town's citizens. Eligible citizens of the Town made application for these rehabilitation funds and received either direct grants or loans. As the loans are being paid back to the Town, the loan proceeds are being accounted for in the fund, as the monies are restricted by the original grant contract and must be used for eligible expenses as defined by the grant contract. Mortgage liens are attached to the property upon which the rehabilitation work was performed. An allowance for doubtful accounts is estimated to be immaterial by management and is, therefore, not accrued. Bad debts are charged to expense in the year that the account is determined to be non-collectable. There were no such charge-offs in 1999.

In 1999, the Town applied for and received a grant funded by the Louisiana Community Development Block Grant program to fund repairs and replacement of equipment to the Town's water distribution system.

**One Cent Sales Tax - Streets -**

In 1989, a one cent sales tax was approved for the retirement of the 1990 Public Improvement Sales Tax Bonds with any excess funds to be used for street and drainage improvements.

(Continued)

TOWN OF BENTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

**(8) CONTRIBUTED CAPITAL**

Changes in contributed capital for the year ended December 31, 1999, are as follows:

Department of Water, Sewerage and Solid Waste Disposal:	
Balance at January 1,	\$1,454,583
Contributions	92,845
Amounts charged to contribution account for depreciation	<u>(49,596)</u>
Balance at December 31,	<u>\$1,497,832</u>

**(9) RETIREMENT COMMITMENTS**

Employees of the Town are members of the state retirement system for municipal employees. Contributions to the system are made by both employees and the Town as a percentage of salaries. The Town contributed \$16,291 to this system during 1999 as its share of contributions. Future deficits in the system will be financed by the State and the Town has no further liability to the system. Data concerning the actuarial status of the system are not available. Also, the employees of the Town are members of the Social Security System.

**(10) LEASE COMMITMENTS**

The Town has committed to a monthly operating lease agreement for office equipment as of December 31, 1999. The total rental expense for 1999 was \$4,797.

**(11) OTHER REQUIRED FUND DISCLOSURES**

**(A) Interfund Receivables and Payables**

Individual fund interfund receivable and payable balances at December 31, 1999 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 3,747	\$ 60,120
Special Revenue	-0-	3,747
Enterprise	<u>60,120</u>	<u>-0-</u>
	<u>\$ 63,867</u>	<u>\$ 63,867</u>

(Continued)



TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

(B) Segments of Enterprise Activities

There is one service provided by the Town which is financed by user charges - water, sewer, and solid waste disposal. The key financial data for the year ended December 31, 1999 for the services are as follows:

Operating Revenues	\$ 841,504
Miscellaneous Revenues	<u>35,002</u>
	<u>876,506</u>
Operating Expenses:	
Depreciation	81,832
Other	<u>622,420</u>
	<u>704,252</u>
Operating Income (Loss)	\$ <u><u>172,254</u></u>
Net Income	\$ <u><u>320,205</u></u>
Contributions Received	\$ <u><u>92,845</u></u>
Assets	\$ <u><u>5,204,211</u></u>
Fund Equity	\$ <u><u>4,187,271</u></u>
Net Working Capital	\$ <u><u>990,728</u></u>
Acquisition of Property, Plant, Equipment and Completed Projects	377,789
Construction In Progress	
Balance at January 1, 1999	248,512
1999 Costs Incurred	220,178
Costs Transferred to Completed Projects	<u>(372,430)</u>
Balance at December 31, 1999	\$ <u><u>96,261</u></u>

(C) Operating Transfers

A reconciliation of operating transfers are as follows:

	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
General Fund	\$ 111,898	\$ -0-
Special Revenue Fund		
One Cent Sales Tax - Streets	-0-	168,055
Debt Service Fund		
Sales Tax Fund	<u>56,157</u>	<u>-0-</u>
	\$ <u><u>168,055</u></u>	\$ <u><u>168,055</u></u>

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

(12) Fund Deficits and Budget Comparisons

For those funds for which a budget to actual comparison was made, actual expenditures exceeded budgeted expenditures on a line item basis for the year ended December 31, 1999, are as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund:			
General Government	\$ 173,500	\$ 178,312	\$ (4,812)
Streets and Drainage	156,760	160,293	(3,533)

(13) Commitments and Contingencies

Litigation

The Town is defendant in various legal actions most of which are adequately covered by insurance. Resolution of some cases could involve liability to the Town in excess of insurance limits if the courts find in favor of the plaintiffs. In the opinion of the Town's attorney, the Town's ultimate exposure is unknown at this time. It is the policy of the Town to pay uninsured judgements against the Town on a current basis from the excess of revenues over expenditures.

Revenues from the State of Louisiana

The general fund receives various revenues from the State of Louisiana including cigarette tax and beer tax. Financial difficulties at the State level may result in the reduction or elimination of certain revenues to be received by the Town.

Construction Projects

There are certain projects in progress at December 31, 1999. These include various phases of projects associated with water and sewer system improvements.

In January 1998, the Town issued \$410,000 in sales tax revenue bonds to fund various projects within the Town's corporate limits. At December 31, 1999, \$140,052 of the \$410,000 remained in a restricted bank account to be expended towards completion of these projects.

In October, 1999, the Town issued \$500,000 in utilities revenue bonds to fund the reconstruction of the Palmetto Park oxidation pond at a total estimated cost of \$675,000. At December 31, 1999, \$490,592 of the \$500,000 remained in a restricted bank account to be expended towards the completion of this project.

***COMBINING AND  
INDIVIDUAL FUND  
AND ACCOUNT GROUP  
STATEMENTS  
AND SCHEDULES***





## **GOVERNMENTAL FUNDS**

---

---

- **GENERAL FUND**
- **SPECIAL REVENUE FUNDS**
- **DEBT SERVICE FUND**
- **CAPITAL PROJECT FUNDS**

## ***GENERAL FUND***

---

---

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF BENTON, LOUISIANA  
GENERAL FUND

COMPARATIVE BALANCE SHEETS  
December 31, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
Current Assets:	\$ 667,583	\$ 490,249
Cash and Cash Equivalents		
Receivables:		
Ad Valorem Taxes	18,486	10,326
Other	24,152	-0-
Due from Other Funds:		
Special Revenue Fund	<u>3,747</u>	<u>3,747</u>
Total Current Assets	<u>\$ 713,968</u>	<u>\$ 504,322</u>
Restricted Assets:		
Cash and Cash Equivalents	<u>2,208</u>	<u>1,203</u>
Total Restricted Assets	<u>2,208</u>	<u>1,203</u>
Total Assets	<u>\$ 716,176</u>	<u>\$ 505,525</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 17,042	\$ 13,719
Due to Other Funds:		
Utility Fund	<u>60,120</u>	<u>63,774</u>
Total Liabilities	<u>77,162</u>	<u>77,493</u>
Fund balance:		
Undesignated	<u>639,014</u>	<u>428,032</u>
Total Fund Balance	<u>639,014</u>	<u>428,032</u>
Total Liabilities and Fund Balance	<u>\$ 716,176</u>	<u>\$ 505,525</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended December 31, 1999

With Comparative Actual Figures for Year Ended December 31, 1998

	<u>Budget</u>	<u>1999 Actual</u>	Variance - Favorable (Unfavorable)	<u>1998 Actual</u>
Revenues:				
Taxes:				
Ad Valorem	\$ 53,500	\$ 53,579	\$ 79	\$ 51,609
Sales	164,830	182,988	18,158	167,932
Utility	23,150	23,604	454	26,194
Franchise	6,000	6,563	563	6,742
Licenses and Permits	87,950	88,298	348	82,657
Intergovernmental:				
Police Jury	3,200	3,200	-0-	3,200
Tobacco Taxes	10,650	10,649	(1)	10,649
Beer Tax	6,900	7,106	206	6,168
Federal Emergency Management Agency	127,900	127,893	(7)	-0-
Fines and Forfeits	119,660	123,066	3,406	65,816
Interest	13,240	16,400	3,160	17,203
Miscellaneous	<u>14,000</u>	<u>14,703</u>	<u>703</u>	<u>10,036</u>
Total Revenues	<u>630,980</u>	<u>658,049</u>	<u>27,069</u>	<u>448,206</u>
Expenditures:				
General Government	173,500	178,312	(4,812)	141,088
Public Safety - Police	186,351	182,043	4,308	126,308
Streets and Drainage	156,760	160,293	(3,533)	132,897
Maintenance	<u>42,075</u>	<u>38,317</u>	<u>3,758</u>	<u>46,582</u>
Total Expenditures	<u>558,686</u>	<u>558,965</u>	<u>(279)</u>	<u>446,875</u>
Excess of Revenues over Expenditures	<u>72,294</u>	<u>99,084</u>	<u>26,790</u>	<u>1,331</u>
Other Financing Sources (Uses):				
Operating Transfers In	<u>111,898</u>	<u>111,898</u>	<u>-0-</u>	<u>100,125</u>
Total Other Financing Sources (Uses)	<u>111,898</u>	<u>111,898</u>	<u>-0-</u>	<u>100,125</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	184,192	210,982	26,790	101,456
Fund Balances at Beginning of Year	<u>428,032</u>	<u>428,032</u>	<u>-0-</u>	<u>326,576</u>
Fund Balances at End of Year	<u>\$ 612,224</u>	<u>\$ 639,014</u>	<u>\$ 26,790</u>	<u>\$ 428,032</u>

See accompanying notes to combined financial statements.

## **SPECIAL REVENUE FUNDS**

---

---

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Louisiana Community Development Block Grant** - To account for the receipt and subsequent expenditures of funds received from the loans made under the Community Development Block Grant.

**Louisiana Community Development Block Grant** - To account for the receipt and subsequent expenditures of funds received for the replacement on equipment used in the Town's water system.

**One Cent Sales Tax - Streets** - To account for the receipt and subsequent expenditures of funds received from a one cent sales tax for the retirement of debt, maintenance and construction of the Town's streets.

TOWN OF BENTON, LOUISIANA  
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEETS

December 31, 1999

With Comparative Totals for December 31, 1998

	Louisiana Community Development Block Grant Fund		One Cent Sales Tax Streets	Totals	
	<u>Housing Rehab</u>	<u>Water System</u>		<u>1999</u>	<u>1998</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 64,562	\$ -0-	\$ 276,011	\$ 340,573	\$ 334,781
Accounts Receivable - Bossier City/Parish Sales Tax	-0-	-0-	19,889	19,889	-0-
Notes Receivable	<u>5,016</u>	<u>-0-</u>	<u>-0-</u>	<u>5,016</u>	<u>8,315</u>
<b>Total Assets</b>	<u>\$ 69,578</u>	<u>\$ -0-</u>	<u>\$ 295,900</u>	<u>\$ 365,478</u>	<u>\$ 343,096</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Due to Other Funds: General Fund	\$ <u>3,747</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>3,747</u>	<u>3,747</u>
<b>Total Liabilities</b>	<u>3,747</u>	<u>-0-</u>	<u>-0-</u>	<u>3,747</u>	<u>3,747</u>
<b>Fund Balances - Unreserved</b>					
Designated for Housing Rehabilitation	<u>65,831</u>	<u>-0-</u>	<u>-0-</u>	<u>65,831</u>	<u>64,409</u>
Designated for Streets and Drainage Improvements	<u>-0-</u>	<u>-0-</u>	<u>295,900</u>	<u>295,900</u>	<u>274,940</u>
<b>Total Fund Balance</b>	<u>65,831</u>	<u>-0-</u>	<u>295,900</u>	<u>361,731</u>	<u>339,349</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 69,578</u>	<u>\$ -0-</u>	<u>\$ 295,900</u>	<u>\$ 365,478</u>	<u>\$ 343,096</u>

See accompanying notes to financial statements.

TOWN OF BENTON, LOUISIANA  
SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
Year Ended December 31, 1999  
With Comparative Totals for December 31, 1998

	Louisiana Community Development Block Grant Fund		One Cent Sales Tax Streets	Totals	
	Housing Rehab	Water System		1999	1998
Revenues:					
Sales Tax	\$ -0-	-0-	\$ 182,988	\$ 182,988	\$ 167,931
Interest Income	1,422	-0-	6,027	7,449	7,650
Intergovernmental	-0-	92,845	-0-	92,845	-0-
<b>Total Revenues</b>	<u>1,422</u>	<u>92,845</u>	<u>189,015</u>	<u>283,282</u>	<u>175,581</u>
Expenditures:					
General Government	-0-	-0-	-0-	-0-	-0-
Water System Construction	-0-	92,845	-0-	92,845	-0-
<b>Total Expenditures</b>	<u>-0-</u>	<u>92,845</u>	<u>-0-</u>	<u>92,845</u>	<u>-0-</u>
Excess of Revenues over Expenditures	<u>1,422</u>	<u>-0-</u>	<u>189,015</u>	<u>190,437</u>	<u>175,581</u>
Other Financing Sources (Uses):					
Operating Transfers In	-0-	-0-	-0-	-0-	-0-
Operating Transfers Out	-0-	-0-	(168,055)	(168,055)	(155,325)
Recovery of Bad Debts	-0-	-0-	-0-	-0-	-0-
<b>Total Other Financing Sources (Uses)</b>	<u>-0-</u>	<u>-0-</u>	<u>(168,055)</u>	<u>(168,055)</u>	<u>(155,325)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	1,422	-0-	20,960	22,382	20,256
Fund Balance at Beginning of Year	<u>64,409</u>	<u>-0-</u>	<u>274,940</u>	<u>339,349</u>	<u>319,093</u>
Fund Balance at End of Year	<u>\$ 65,831</u>	<u>\$ -0-</u>	<u>\$ 295,900</u>	<u>\$ 361,731</u>	<u>339,349</u>

See accompanying notes to financial statements.

## ***DEBT SERVICE FUND***

---

---

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. The sales tax fund is financed by a portion of sales taxes paid to the Town.



TOWN OF BENTON, LOUISIANA  
DEBT SERVICE FUND  
STREET SALES TAX DEBT SERVICE FUND

COMPARATIVE BALANCE SHEET  
December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Cash And Cash Equivalents	\$ <u>80,291</u>	\$ <u>79,120</u>
Total Assets	\$ <u><u>80,291</u></u>	\$ <u><u>79,120</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Interest and Service Fee Payable	\$ -0-	\$ -0-
Fund Balance:		
Reserved for Debt Service	<u>80,291</u>	<u>79,120</u>
Total Liabilities and Fund Balance	\$ <u><u>80,291</u></u>	\$ <u><u>79,120</u></u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA  
DEBT SERVICE FUND  
STREET SALES TAX DEBT SERVICE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE

Year Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Interest on Investments	\$ <u>1,777</u>	\$ <u>2,122</u>
Expenditures - Debt Service:		
Principal Retirement	25,000	20,000
Interest and Fiscal Charges	<u>31,763</u>	<u>33,300</u>
Total Expenditures	<u>56,763</u>	<u>53,300</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(54,986)</u>	<u>(51,178)</u>
Other Financing Sources (Uses):		
Operating Transfers In	<u>56,157</u>	<u>55,200</u>
Total Other Financing Sources (Uses)	<u>56,157</u>	<u>55,200</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	1,171	4,022
Fund Balance at Beginning of Year	<u>79,120</u>	<u>75,098</u>
Fund Balance at End of Year	<u>\$ 80,291</u>	<u>\$ 79,120</u>

See accompanying notes to combined financial statements.

## ***CAPITAL PROJECT FUNDS***

---

---

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary funds). Brief descriptions of each fund follow:

**Street Overlay Project Fund** - This fund is used to account for expenditures associated with the street overlay project funded by the 1990 Public Improvement Sales Tax Bonds.

TOWN OF BENTON, LOUISIANA  
 CAPITAL PROJECTS FUNDS  
 STREET OVERLAY PROJECT

COMPARATIVE BALANCE SHEETS  
 December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ <u>30,974</u>	\$ <u>30,331</u>
Total Assets	\$ <u><u>30,974</u></u>	\$ <u><u>30,331</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	\$ <u>-0-</u>	\$ <u>-0-</u>
Total Liabilities	<u>-0-</u>	<u>-0-</u>
Fund Balances:		
Unreserved:		
Designated for Subsequent Year Expenditures	<u>30,974</u>	<u>30,331</u>
Total Fund Balances	<u>30,974</u>	<u>30,331</u>
Total Liabilities and Fund Balances	\$ <u><u>30,974</u></u>	\$ <u><u>30,331</u></u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA  
CAPITAL PROJECTS FUND  
STREET OVERLAY PROJECT

COMPARATIVE STATEMENTS OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
Year Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Interest	\$ <u>643</u>	\$ <u>774</u>
Total Revenues	<u>643</u>	<u>774</u>
Expenditures		
Project Expenditures and Engineering Fees	-0-	-0-
Bank Service Charges	<u>-0-</u>	<u>-0-</u>
Total Expenditures	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>643</u>	<u>774</u>
Other Financing Sources (Uses) -		
Operating Transfers In:		
General Fund	-0-	-0-
Enterprise Fund	-0-	-0-
Operating Transfers Out:		
General Fund	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	643	774
Fund Balance at Beginning of Year	<u>30,331</u>	<u>29,557</u>
Fund Balance at End of Year	<u>\$ 30,974</u>	<u>\$ 30,331</u>

See accompanying notes to combined financial statements.



***PROPRIETARY FUNDS***

---

---

## ***ENTERPRISE FUND***

---

---

The Enterprise Fund is used to account for the operations of the water, sewer and solid waste disposal services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The Enterprise Fund reported in this section is the Department of Water, Sewerage, and Solid Waste Disposal.

TOWN OF BENTON, LOUISIANA  
 ENTERPRISE FUND  
 DEPARTMENT OF WATER, SEWERAGE AND SOLID WASTE DISPOSAL

COMPARATIVE BALANCE SHEETS  
 December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Current assets:		
Cash and Cash Equivalents	\$ 836,291	\$ 817,394
Accounts Receivable -		
Customers	73,905	54,197
Bossier City/Parish Sales Tax	9,944	-0-
Due from Other Funds:		
General Fund	<u>60,120</u>	<u>63,774</u>
Total Current Assets	<u>980,260</u>	<u>935,365</u>
Restricted assets:		
Capital Additions Contingency -		
Cash and Cash Equivalents	1,599,173	1,088,911
Customers' Deposits -		
Cash and Cash Equivalents	<u>127,408</u>	<u>120,830</u>
Total Restricted Assets	<u>1,726,581</u>	<u>1,209,741</u>
Property, Plant and Equipment:		
Plant and Equipment, at Cost	3,402,101	2,933,246
Less-Accumulated Depreciation	<u>(1,000,992)</u>	<u>(918,479)</u>
Net Property, Plant and Equipment	<u>2,401,109</u>	<u>2,014,767</u>
Other Assets		
Construction in progress	<u>96,261</u>	<u>248,513</u>
Total Other Assets	<u>96,261</u>	<u>248,513</u>
Total Assets	<u>\$ 5,204,211</u>	<u>\$4,408,386</u>

(Continued)

TOWN OF BENTON, LOUISIANA  
 ENTERPRISE FUND  
 DEPARTMENT OF WATER, SEWERAGE AND SOLID WASTE DISPOSAL

COMPARATIVE BALANCE SHEETS  
 December 31, 1999 and 1998

	1999	1998
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities:</b>		
Current Liabilities		
(Payable from Current Assets):		
Accounts Payable	\$ <u>39,743</u>	\$ <u>148,528</u>
Total Current Liabilities		
(Payable from Current Assets)	<u>39,743</u>	<u>148,528</u>
Current Liabilities		
(Payable from Restricted Assets):		
Customers' Refundable Deposits	77,197	73,177
Current Portion Of Long Term Debt	<u>20,000</u>	<u>10,000</u>
Total Current Liabilities		
(Payable from Restricted Assets)	<u>97,197</u>	<u>83,177</u>
Long Term Debt	<u>880,000</u>	<u>400,000</u>
Total Liabilities	<u>1,016,940</u>	<u>631,705</u>
<b>Fund Equity:</b>		
Contributed Capital:		
Municipality	18,701	22,902
Other Government Agencies	1,359,881	1,309,333
Subdividers	<u>119,250</u>	<u>122,348</u>
Total Contributed Capital	<u>1,497,832</u>	<u>1,454,583</u>
<b>Retained Earnings:</b>		
Reserved for Revenue		
Bond Requirements	68,920	20,870
Reserved for Capital Additions	875,990	769,689
Unreserved	<u>1,744,529</u>	<u>1,531,539</u>
Total Retained Earnings	<u>2,689,439</u>	<u>2,322,098</u>
Total Fund Equity	<u>4,187,271</u>	<u>3,776,681</u>
Total Liabilities		
and Fund Equity	<u>\$ 5,204,211</u>	<u>\$ 4,408,386</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA  
ENTERPRISE FUND  
DEPARTMENT OF WATER, SEWERAGE AND SOLID WASTE DISPOSAL

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating Revenues:		
Charges for Services:		
Metered Water Sales	\$ 515,877	\$ 540,176
Sewerage Service Charges	195,318	172,340
Solid Waste Disposal Service Charges	79,416	75,085
Customer Billing Service Charge	<u>50,893</u>	<u>49,388</u>
	841,504	836,989
Miscellaneous Revenues	<u>35,002</u>	<u>31,531</u>
Total Revenues	<u>876,506</u>	<u>868,520</u>
Operating Expenses:		
Personal Services	171,079	147,403
Purchase of Water	238,150	237,442
Supplies	11,991	11,784
Utilities	18,957	20,249
Repairs and Maintenance	67,629	45,736
Contractual Services		
and Tipping Fees	73,766	68,757
Miscellaneous	40,848	26,296
Depreciation	<u>81,832</u>	<u>72,784</u>
Total Expenses	<u>704,252</u>	<u>630,451</u>
Operating Income (Loss)	<u>172,254</u>	<u>238,069</u>
Nonoperating Revenues (Expenses):		
Grant Revenue	25,000	25,000
Interest Income	51,670	55,460
Interest Expense	(20,870)	(10,910)
Sales Taxes	92,151	83,309
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>
Total Nonoperating Revenues (Expenses)	<u>147,951</u>	<u>152,859</u>
Net Income	320,205	390,928
Amounts charged to Contribution Accounts -		
Depreciation on Contributed Assets	49,596	47,276
Retained Earnings at Beginning of Year	2,322,098	1,883,894
Prior Period Adjustment	<u>(2,460)</u>	<u>-0-</u>
Retained Earnings at End of Year	<u>\$2,689,439</u>	<u>\$2,322,098</u>

See accompanying notes to combined financial statements.



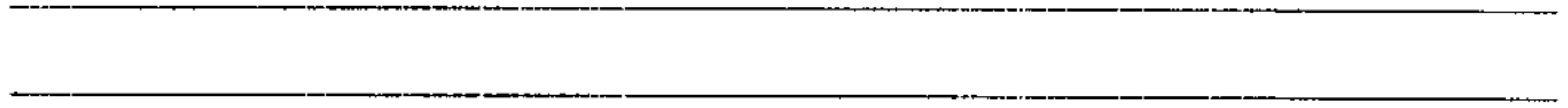
TOWN OF BENTON, LOUISIANA  
ENTERPRISE FUND  
DEPARTMENT OF WATER, SEWERAGE AND SOLID WASTE DISPOSAL

COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash Flows from Operating Activities:		
Operating Net Income (Loss)	\$ 172,254	\$ 238,069
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	81,832	72,784
(Increase) Decrease in Accounts Receivable - Customers	(29,652)	1,937
Increase (Decrease) in Accounts Payable	(108,785)	122,993
(Increase) Decrease in Due from Other Funds	3,654	1,889
Increase in Customers' Refundable Deposits	<u>4,020</u>	<u>4,308</u>
Net Cash Provided (Used) by Operating Activities	<u>123,323</u>	<u>441,980</u>
Cash Flows from Noncapital Financing Activities:		
Sales Tax Collected	92,151	83,309
Operating Transfers Out	-0-	-0-
Grant Revenue	<u>25,000</u>	<u>25,000</u>
Net Cash Flows from Noncapital Financing Activities	<u>117,151</u>	<u>108,309</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(225,537)	(429,567)
Proceeds from Sale of Revenue Bonds	490,000	410,000
Interest Paid of Revenue Bonds	<u>(20,870)</u>	<u>(10,910)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>243,593</u>	<u>(30,477)</u>
Cash Flows from Investing Activities:		
Interest Income	<u>51,670</u>	<u>55,460</u>
Net Cash Provided by Investing Activities	<u>51,670</u>	<u>55,460</u>
Net Increase in Cash and Cash Equivalents	535,737	575,272
Cash and Cash Equivalents at Beginning of Year	<u>2,027,135</u>	<u>1,451,863</u>
Cash and Cash Equivalents at End of Year	<u>\$2,562,872</u>	<u>\$2,027,135</u>

See accompanying notes to combined financial statements.

## ***ACCOUNT GROUPS***



**GENERAL  
FIXED ASSETS  
ACCOUNT GROUP**

---

---

This account group is established to account for all fixed assets of the Town, other than those accounted for in the proprietary funds. Capital outlays in funds other than the proprietary funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for municipalities, depreciation is not recorded in general fixed assets.

TOWN OF BENTON, LOUISIANA

COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - BY SOURCE  
December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General Fixed Assets:		
Land	\$ 192,102	\$ 192,102
Building	616,511	616,511
Equipment	<u>446,529</u>	<u>408,869</u>
 Total General Fixed Assets	 <u>\$1,255,142</u>	 <u>\$1,217,482</u>
Investment in General Fixed Assets:		
General Fund Revenues	\$1,126,213	\$1,088,553
Federal Revenue Sharing	7,067	7,067
Other Governmental Source	115,959	115,959
Enterprise Fund Revenues	<u>5,903</u>	<u>5,903</u>
 Total Investment in General Fixed Assets	 <u>\$1,255,142</u>	 <u>\$1,217,482</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
For the Year ended December 31, 1999

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General Fixed Assets January 1, 1999	\$ <u>192,102</u>	\$ <u>616,511</u>	\$ <u>408,869</u>	\$ <u>1,217,482</u>
Additions:				
General Fund Revenues	<u>-0-</u>	<u>-0-</u>	<u>37,660</u>	<u>37,660</u>
Total Additions	<u>-0-</u>	<u>-0-</u>	<u>37,660</u>	<u>37,660</u>
Deletions:				
General Fund Revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Deletions	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
General Fixed Assets December 31, 1999	\$ <u><u>192,102</u></u>	\$ <u><u>616,511</u></u>	\$ <u><u>446,529</u></u>	\$ <u><u>1,255,142</u></u>

See accompanying notes to combined financial statements.



***GENERAL LONG-TERM  
OBLIGATION ACCOUNT GROUP***

---

---

This account group represents a summary of all general obligation debt of the Town.

TOWN OF BENTON, LOUISIANA

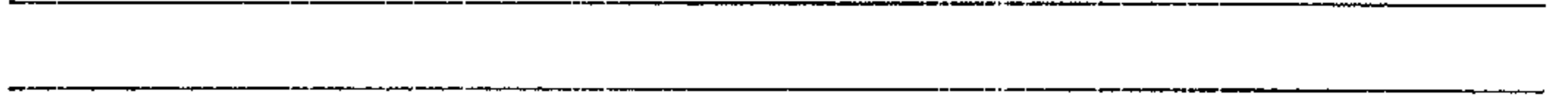
SCHEDULE OF CHANGES IN LONG-TERM OBLIGATIONS

For the Year Ended December 31, 1999

	<u>December 31,</u> <u>1998</u>	<u>Additions</u>	<u>Payments/ Reductions</u>	<u>December 31,</u> <u>1999</u>
Amount Available in Debt Service Funds	\$ 79,120	\$ 1,171	\$ -0-	\$ 80,291
Amount to be Provided for Retirement of General Long Term Debt	<u>370,880</u>	<u>-0-</u>	<u>26,171</u>	<u>344,709</u>
	<u>\$ 450,000</u>	<u>\$ 1,171</u>	<u>\$ 26,171</u>	<u>\$ 425,000</u>
Long-term Obligations Payable:				
Revenue Bonds Payable- General Town Operations	<u>450,000</u>	<u>-0-</u>	<u>25,000</u>	<u>425,000</u>
	<u>\$ 450,000</u>	<u>\$ -0-</u>	<u>\$ 25,000</u>	<u>\$ 425,000</u>

See accompanying notes to combined financial statements.

***SUPPLEMENTAL  
INFORMATION SCHEDULE***



TOWN OF BENTON, LOUISIANA

SCHEDULE OF COMPENSATION PAID THE MAYOR  
AND BOARD OF ALDERMEN

For the Year Ended December 31, 1999

By state law, the compensation and per diem for the mayor and board of aldermen is to be established by ordinance. The aldermen's compensation can only change at the beginning of a new term in office and must be established at least six months prior to the beginning of the term. A schedule of salaries and expenses paid to the Mayor and Board of Aldermen is as follows:

	<u>Salaries</u>
Mayor:	
Carl Janzen	\$ 16,122
Board of Aldermen:	
Thelma Harry	2,175
Zella Mayfield	2,175
Charles Carraway	2,175
Elizabeth Knotts	2,175
John Barnette	<u>2,175</u>
	<u>\$ 26,997</u>

**OTHER REPORTS REQUIRED BY**  
**GOVERNMENT AUDITING STANDARDS**  
**AND OFFICE OF MANAGEMENT AND**  
**BUDGET CIRCULAR A-128**

---

---



# James T. Bates

CERTIFIED PUBLIC ACCOUNTANT  
612 BARKSDALE BOULEVARD  
BOSSIER CITY, LOUISIANA 71111

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE  
(318) 742-5238  
FAX (318) 742-5766

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

To The Honorable Carl F. Janzen, Mayor  
and Honorable Members of the Board of Aldermen  
Town of Benton, Louisiana

I have audited the general purpose financial statements of the Town of Benton, Louisiana as of and for the year ended December 31, 1999, and have issued my report thereon dated June 23, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Benton, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level

the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving control over financial reporting and its operation that I consider to be material weakness.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Jon T. Bate*

June 23, 2000

TOWN OF BENTON, LOUISIANA  
Benton, Louisiana

Summary Schedule of Prior Audit Findings  
December 31, 1998

There were no findings or management letter comments for the prior audit period ending December 31, 1998.

Schedule of Current Period Audit Findings

**A. Summary of Audit Results**

- A. The auditor's report expresses an unqualified opinion of the general purpose financial statements of the Town of Benton, Louisiana.
- B. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*.
- C. No instances of noncompliance material to the general purpose financial statements of the Town of Benton, Louisiana were disclosed during the audit.
- D. The Town of Benton, Louisiana does not have a major federal award program.

**B. Findings - Financial Statements Audit**

None

TOWN OF BENTON, LOUISIANA  
Benton, Louisiana

Schedule of Prior Audit Findings For  
Louisiana Legislative Auditor  
December 31, 1999

**Summary Schedule of Prior Audit Findings**

There were no findings or management letter comments in the previous audit for the year ended December 31, 1998.

TOWN OF BENTON, LOUISIANA  
Benton, Louisiana

Schedule of Current Audit Findings For  
Louisiana Legislative Auditor

**Corrective Action Plan for Current Year Audit Findings**

There are no findings for the year ended December 31, 1999.

There is one management letter comment for the current audit period ending December 31, 1999.

**Comment #1 - Utility Billing Operations**

The utility billing software has within it various reports that should be reviewed and reconciled with the accounting records on a periodic basis. However, it was noted during the audit that this was not the case and that some of the reports were not up to date and had numerous duplications within them. Therefore, it is my recommendation that an employee not directly associated with the utility billing review these reports, verify that they being maintained current and reconciled with the accounting records.

**Management's Response**

The office staff has been rearranged, therefore allowing one of the employees to not be directly associated with the utility billing and allowing them additional time that can be utilized in reviewing the monthly reports generated by the billing system. A final review will be performed by the Town Clerk.

# James T. Bates

CERTIFIED PUBLIC ACCOUNTANT  
612 BARKSDALE BOULEVARD  
BOSSIER CITY, LOUISIANA 71111

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE  
(318) 742-5238  
FAX (318) 742-5766

## Management Letter

The Honorable Carl F Janzen, Mayor  
Town of Benton, Louisiana  
Benton, Louisiana

I have audited the general purpose financial statements and the combining, individual fund, and individual account group financial statements of the Town of Benton, Louisiana, (the Town), for the year ended December 31, 1999, and have issued my report thereon dated June 23, 2000. In planning and performing the audit of the general purpose financial statements of the Town, I considered its internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

During the audit the following item was noted involving internal control over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control or operations of the Town. These comments have been discussed with the appropriate members of management.

### Utility Billing Operations

The utility billing software has within it various reports that should be reviewed and reconciled with the accounting records on a periodic basis. However, it was noted during my audit that several of the reports were not up to date and numerous duplications within them. Therefore, it is my recommendation that an employee not directly associated with the utility billing review the reports, verify that they are current and reconciled with the proper accounting records.

I express sincere thanks to the Town's personnel for the cooperation and assistance provided me during my audit. I am available to provide you assistance and consultation in the implementation of the above mentioned item. This letter is furnished solely for the use of management and is not intended to be used for any other purpose.



June 23, 2000