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**GENERAL PURPOSE ANNUAL
FINANCIAL REPORT
OF THE
TOWN OF BENTON, LOUISIANA**

**As of and for the
Two Years Ended December 31, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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 JUL 2 1 1999

**JAMES T. BATES
CERTIFIED PUBLIC ACCOUNTANT**

**612 Barksdale Blvd.
Bossier City, Louisiana 71111**

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COMPREHENSIVE FINANCIAL REPORT

of the

TOWN OF BENTON, LOUISIANA

for the

TWO YEARS ENDED DECEMBER 31, 1998

TOWN OF BENTON, LOUISIANA

General Purpose Annual Financial Report

As of and for the Two Years
Ended December 31, 1998

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 Comprehensive Annual Financial Report

As of and for the Two Years
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Comprehensive Annual Financial Report

As of and for the Two Years
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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

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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 two years ended December 31, 1998, 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, 1998, and the results of its operations and the cash flows of its proprietary fund types for the two years 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, 1998 and the results of operations of such funds and the cash flows of the individual proprietary funds for the two years then ended in conformity with generally accepted accounting principles.

The Schedule of Compensation Paid the Mayor and Board of Aldermen on page 50 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.

The year 2000 supplementary information on page 51 is not required part of the general purpose financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Town is or will become year 2000 compliant, that the Town's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 26, 1999, on my consideration of the internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.



June 26, 1999

**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, 1998

With Comparative Figures for 1997

ASSETS	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only) 1997
	General	Special Revenue	Debt Service		Capital Projects	General Fixed Assets	
Cash and Cash Equivalents (Note 2)	\$ 490,249	\$ 334,781	\$ 79,120	\$ 30,331	\$ 817,394	\$ -0-	\$ 1,751,875
Receivables:							
Ad Valorem							
Taxes (Note 3)	10,326	-0-	-0-	-0-	-0-	-0-	10,326
Customers	-0-	-0-	-0-	-0-	54,197	-0-	54,197
Notes	-0-	8,315	-0-	-0-	-0-	-0-	8,315
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Due from Other Funds (Note 11)	3,747	-0-	-0-	-0-	63,774	-0-	67,521
Restricted Assets							
Cash and Cash Equivalents (Note 2)	1,203	-0-	-0-	-0-	1,209,741	-0-	1,210,944
Land	-0-	-0-	-0-	-0-	-0-	-0-	192,102
Buildings	-0-	-0-	-0-	-0-	-0-	-0-	616,511
Equipment	-0-	-0-	-0-	-0-	-0-	-0-	408,869
Utility Plant and Equipment (Note 4)	-0-	-0-	-0-	-0-	2,933,246	-0-	2,933,246
Accumulated Depreciation (Note 4)	-0-	-0-	-0-	-0-	(918,479)	-0-	(918,479)
Other Assets	-0-	-0-	-0-	-0-	248,513	-0-	248,513
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Amount Available in Debt Service Funds	-0-	-0-	-0-	-0-	-0-	79,120	79,120
Amount to be Provided for Retirement of General Long-Term Debt	-0-	-0-	-0-	-0-	-0-	370,880	394,902
Total Assets	\$ 505,525	\$ 343,096	\$ 79,120	\$ 30,331	\$ 4,408,386	\$ 1,217,482	\$ 7,033,940

(Continued)

TOWN OF BENTON, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1998

With Comparative Figures for 1997

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only) 1997
	General	Special Revenue	Debt Service		Capital Projects	General Fixed Assets	
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts Payable	\$ 13,719	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 36,086
Payable from Restricted Assets							
Customers' Deposits	-0-	-0-	-0-	-0-	-0-	-0-	68,869
Current Portion of Long Term Debt	-0-	-0-	-0-	10,000	-0-	-0-	-0-
Due to Other							
Funds (Note 11)	63,774	3,747	-0-	-0-	-0-	-0-	67,521
Deferred Revenues	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Bonds Payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Enterprise Funds	-0-	-0-	-0-	400,000	-0-	-0-	400,000
General City Operations	-0-	-0-	-0-	-0-	-0-	450,000	470,000
Total Liabilities	<u>77,493</u>	<u>3,747</u>	<u>-0-</u>	<u>631,705</u>	<u>-0-</u>	<u>450,000</u>	<u>644,365</u>
Fund Equity:							
Contributed Capital (Note 8)	-0-	-0-	-0-	1,454,583	-0-	-0-	1,501,859
Investment in General							
Fixed Assets	-0-	-0-	-0-	-0-	1,217,482	-0-	1,194,391
Retained Earnings:							
Reserved for:							
Revenue Bond Requirements	-0-	-0-	-0-	20,870	-0-	-0-	-0-
Capital Additions	-0-	-0-	-0-	769,689	-0-	-0-	743,405
Unreserved	-0-	-0-	-0-	1,531,539	-0-	-0-	1,140,489
Fund Balances:							
Reserved for:							
Debt Service	-0-	-0-	79,120	-0-	-0-	-0-	75,098
Unreserved:							
Designated for Subsequent Year Expenditures	-0-	-0-	-0-	-0-	-0-	-0-	29,557
Designated for Housing Rehabilitation	-0-	64,409	-0-	-0-	-0-	-0-	62,832
Designated for Streets and Drainage Improvements	-0-	274,940	-0-	-0-	-0-	-0-	256,261
Undesignated	<u>428,032</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>326,576</u>
Total Fund Equity	<u>428,032</u>	<u>339,349</u>	<u>79,120</u>	<u>3,776,681</u>	<u>1,217,482</u>	<u>-0-</u>	<u>5,870,995</u>
Total Liabilities and Fund Equity	<u>\$ 505,525</u>	<u>\$ 343,096</u>	<u>\$ 79,120</u>	<u>\$ 4,408,386</u>	<u>\$ 1,217,482</u>	<u>\$ 450,000</u>	<u>\$ 5,974,833</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, 1998

With Comparative Totals for Year Ended December 31, 1997

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1998	1997
Revenues:						
Taxes (Notes 3 and 6)	\$ 252,477	\$ 167,931	\$ -0-	\$ -0-	\$ 420,408	\$ 363,182
Licenses and Permits	82,657	-0-	-0-	-0-	82,657	76,830
Intergovernmental	20,017	-0-	-0-	-0-	20,017	65,982
Fines and Forfeits	65,816	-0-	-0-	-0-	65,816	129,257
Miscellaneous	10,036	-0-	-0-	-0-	10,036	13,946
Interest	17,203	7,650	2,122	774	27,749	22,449
Total Revenues	<u>448,206</u>	<u>175,581</u>	<u>2,122</u>	<u>774</u>	<u>626,683</u>	<u>671,646</u>
Expenditures:						
Current:						
General Government	141,088	-0-	-0-	-0-	141,088	137,991
Public Safety - Police	126,308	-0-	-0-	-0-	126,308	162,305
Streets and Drainage	132,897	-0-	-0-	-0-	132,897	147,129
Maintenance	46,582	-0-	-0-	-0-	46,582	42,333
Project Expenditures and Engineering Fees	-0-	-0-	-0-	-0-	-0-	-0-
Debt Service	-0-	-0-	20,000	-0-	20,000	20,000
Principal Retirement (Note 5)	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges (Note 5)	-0-	-0-	33,300	-0-	33,300	34,650
Total Expenditures	<u>446,875</u>	<u>-0-</u>	<u>53,300</u>	<u>-0-</u>	<u>500,175</u>	<u>544,408</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,331</u>	<u>175,581</u>	<u>(51,178)</u>	<u>774</u>	<u>126,508</u>	<u>127,238</u>
Other Financing Sources (Uses):						
Operating Transfers In (Note 11)	100,125	-0-	55,200	-0-	155,325	54,050
Operating Transfers Out (Note 11)	-0-	(155,325)	-0-	-0-	(155,325)	(54,050)
Recovery of Bad Debts	-0-	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>100,125</u>	<u>(155,325)</u>	<u>55,200</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	101,456	20,256	4,022	774	126,508	127,238
Fund Balances at Beginning of Year	326,576	319,093	75,098	29,557	750,324	572,333
Prior Period Adjustments	-0-	-0-	-0-	-0-	-0-	50,753
Fund Balances at End of Year	<u>\$ 428,032</u>	<u>\$ 339,349</u>	<u>\$ 79,120</u>	<u>\$ 30,331</u>	<u>\$ 876,832</u>	<u>\$ 750,324</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, 1997

With Comparative Totals for Year Ended December 31, 1996

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1997	1996
Revenues:						
Taxes (Notes 3 and 6)	\$ 222,412	\$ 140,770	\$ -0-	\$ -0-	\$ 363,182	\$ 361,282
Licenses and Permits	76,830	-0-	-0-	-0-	76,830	83,561
Intergovernmental	19,762	46,220	-0-	-0-	65,982	20,864
Fines and Forfeits	129,257	-0-	-0-	-0-	129,257	134,051
Miscellaneous	13,946	-0-	-0-	-0-	13,946	6,979
Interest	12,546	7,075	2,070	758	22,449	17,126
Total Revenues	<u>474,753</u>	<u>194,065</u>	<u>2,070</u>	<u>758</u>	<u>671,646</u>	<u>623,863</u>
Expenditures:						
Current:						
General Government	137,987	4	-0-	-0-	137,991	121,309
Public Safety - Police	162,305	-0-	-0-	-0-	162,305	141,111
Streets and Drainage	100,909	46,220	-0-	-0-	147,129	163,212
Maintenance	42,333	-0-	-0-	-0-	42,333	33,168
Project Expenditures and Engineering Fees	-0-	-0-	-0-	-0-	-0-	3,605
Debt Service	-0-	-0-	20,000	-0-	20,000	20,000
Principal Retirement (Note 5)	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges (Note 5)	-0-	-0-	34,650	-0-	34,650	35,980
Total Expenditures	<u>443,534</u>	<u>46,224</u>	<u>54,650</u>	<u>-0-</u>	<u>544,408</u>	<u>518,385</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>31,219</u>	<u>147,841</u>	<u>(52,580)</u>	<u>758</u>	<u>127,238</u>	<u>105,478</u>
Other Financing Sources (Uses):						
Operating Transfers In (Note 11)	-0-	-0-	54,050	-0-	54,050	102,468
Operating Transfers Out (Note 11)	-0-	(54,050)	-0-	-0-	(54,050)	(102,468)
Recovery of Bad Debts	-0-	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>(54,050)</u>	<u>54,050</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>31,219</u>	<u>93,791</u>	<u>1,470</u>	<u>758</u>	<u>127,238</u>	<u>105,478</u>
Fund Balances at Beginning of Year	244,604	225,302	73,628	28,799	572,333	466,855
Prior Period Adjustments	<u>50,753</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>50,753</u>	<u>-0-</u>
Fund Balances at End of Year	<u>\$ 326,576</u>	<u>\$ 319,093</u>	<u>\$ 75,098</u>	<u>\$ 29,557</u>	<u>\$ 750,324</u>	<u>\$ 572,333</u>

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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating Revenues:		
Charges for Services:		
Metered Water Sales	\$ 540,176	\$ 456,078
Sewerage Service Charges	172,340	157,646
Solid Waste Disposal Service Charges	75,085	74,236
Customer Billing Service Charge	<u>49,388</u>	<u>48,013</u>
	836,989	735,973
Miscellaneous Revenues	<u>31,531</u>	<u>30,390</u>
Total Revenues	<u>868,520</u>	<u>766,363</u>
 Operating Expenses:		
Personal Services	147,403	131,582
Purchase of Water	237,442	212,363
Supplies	11,784	10,588
Utilities	20,249	21,425
Repairs and Maintenance	45,736	90,628
Contractual Services and Tipping Fees	68,757	67,655
Miscellaneous	26,296	37,193
Depreciation	<u>72,784</u>	<u>71,379</u>
Total Expenses	<u>630,451</u>	<u>642,813</u>
 Operating Income (Loss)	<u>238,069</u>	<u>123,550</u>
 Nonoperating Revenues (Expenses):		
Grant Revenue	25,000	-0-
Interest Income	55,460	37,457
Interest Expense	(10,910)	-0-
Sales Taxes	83,309	70,385
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>
Total Nonoperating Revenues (Expenses)	<u>152,859</u>	<u>107,842</u>
 Net Income	390,928	231,392
 Amounts charged to Contribution Accounts -		
Depreciation on Contributed Assets	47,276	47,276
Retained Earnings at Beginning of Year	<u>1,883,894</u>	<u>1,605,226</u>
 Retained Earnings at End of Year	<u>\$2,322,098</u>	<u>\$1,883,894</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, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Operating Revenues:		
Charges for Services:		
Metered Water Sales	\$ 456,078	\$ 418,185
Sewerage Service Charges	157,646	145,327
Solid Waste Disposal Service Charge	74,236	72,939
Customer Billing Service Charges	<u>48,013</u>	<u>45,850</u>
	735,973	682,301
Miscellaneous Revenues	<u>30,390</u>	<u>42,586</u>
Total Revenues	<u>766,363</u>	<u>724,887</u>
Operating Expenses:		
Personal Services	131,582	109,576
Purchase of Water	212,363	210,940
Supplies	10,588	16,594
Utilities	21,425	17,570
Repairs and Maintenance	90,628	75,932
Contractual Services and Tipping Fees	67,655	64,826
Miscellaneous	37,193	34,249
Depreciation	<u>71,379</u>	<u>68,468</u>
Total Expenses	<u>642,813</u>	<u>598,155</u>
Operating Income (Loss)	<u>123,550</u>	<u>126,732</u>
Nonoperating Revenues (Expenses):		
Interest Income	37,457	28,116
Sales Taxes	70,385	70,573
Operating Transfers Out	<u>-0-</u>	<u>(616)</u>
Total Nonoperating Revenues (Expenses)	<u>107,842</u>	<u>98,073</u>
Net Income	231,392	224,805
Amounts charged to Contribution Accounts -		
Depreciation on Contributed Assets	47,276	47,276
Retained Earnings at Beginning of Year	1,605,226	1,338,820
Prior Year Adjustment	<u>-0-</u>	<u>(5,675)</u>
Retained Earnings at End of Year	<u>\$1,883,894</u>	<u>\$1,605,226</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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash Flows from Operating Activities:		
Operating Net Income (Loss)	\$ 238,069	\$ 123,550
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	72,784	71,379
(Increase) Decrease in Accounts Receivable - Customers	1,937	2,552
Increase (Decrease) in Accounts Payable	122,993	(6,009)
(Increase) Decrease in Due from Other Funds	1,889	2,324
Increase in Customers' Refundable Deposits	<u>4,308</u>	<u>2,862</u>
Net Cash Provided (Used) by Operating Activities	<u>441,980</u>	<u>196,658</u>
Cash Flows from Noncapital Financing Activities:		
Sales Tax Collected	83,309	70,385
Operating Transfers Out	-0-	-0-
Grant Revenue	<u>25,000</u>	<u>-0-</u>
Net Cash Flows from Noncapital Financing Activities	<u>108,309</u>	<u>70,385</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(429,567)	(16,771)
Proceeds from Sale of Revenue Bonds	410,000	-0-
Interest Paid of Revenue Bonds	<u>(10,910)</u>	<u>-0-</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(30,477)</u>	<u>(16,771)</u>
Cash Flows from Investing Activities:		
Interest Income	<u>55,460</u>	<u>37,457</u>
Net Cash Provided by Investing Activities	<u>55,460</u>	<u>37,457</u>
Net Increase in Cash and Cash Equivalents	575,272	287,729
Cash and Cash Equivalents at Beginning of Year	<u>1,451,863</u>	<u>1,164,134</u>
Cash and Cash Equivalents at End of Year	<u>\$2,027,135</u>	<u>\$1,451,863</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, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Cash Flows from Operating Activities:		
Operating Net Income (Loss)	\$ 123,550	\$ 126,732
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	71,379	68,468
(Increase) Decrease in Accounts Receivable - Customers	2,552	(7,216)
Increase (Decrease) in Accounts Payable	(6,009)	5,965
(Increase) Decrease in Due from Other Funds	2,324	2,302
Increase in Customers' Refundable Deposits	<u>2,862</u>	<u>2,510</u>
Net Cash Provided (Used) by Operating Activities	<u>196,658</u>	<u>198,761</u>
Cash Flows from Noncapital Financing Activities:		
Sales Tax Collected	70,385	70,573
Operating Transfers Out	<u>-0-</u>	<u>(616)</u>
Net Cash Flows from Noncapital Financing Activities	<u>70,385</u>	<u>69,957</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	<u>(16,771)</u>	<u>(102,771)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(16,771)</u>	<u>(102,771)</u>
Cash Flows from Investing Activities:		
Interest Income	<u>37,457</u>	<u>28,116</u>
Net Cash Provided by Investing Activities	<u>37,457</u>	<u>28,116</u>
Net Increase in Cash and Cash Equivalents	287,729	194,063
Cash and Cash Equivalents at Beginning of Year	<u>1,164,134</u>	<u>970,071</u>
Cash and Cash Equivalents at End of Year	<u>\$1,451,863</u>	<u>\$1,164,134</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 1998

(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 accounts that comprise its assets, liabilities, fund balance/retained earnings,

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

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, 1998 were Louisiana Community Development Block Grant and 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 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.

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

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 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

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

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 recorded when susceptible to accrual, i.e., both measurable and available.

(Continued)

TOWN OF BENTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

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 1998 and 1997.

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, 1998 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

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

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.

(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
(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

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, 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) POSTRETIREMENT BENEFITS

The Town provides no postretirement benefits to its employees.

(2) CASH

All deposits of the Town are held in area financial institutions. At December 31, 1998, the carrying amount of the Town's deposits was \$2,962,819 and the bank balance was \$2,961,770. This difference is due to the significant outstanding checks at December 31, 1998. 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 \$4,237,570, \$4,202,270 and \$4,163,490 in 1998, 1997 and 1996, 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 1998, 1997 and 1996:

	<u>1998</u>	<u>Levy</u> <u>1997</u>	<u>1996</u>
General Fund - Unrestricted	7.23	7.23	7.23
Restricted	4.96	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 \$1,202.79 for the period ended December 31, 1998.

(4) FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>January 1,</u> <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>1997</u>
Land	\$ 192,102	\$ -0-	\$ -0-	\$ 192,102
Buildings	616,511	-0-	-0-	616,511
Equipment	<u>377,576</u>	<u>34,090</u>	<u>(25,888)</u>	<u>385,778</u>
Total General				
Fixed Assets	<u>\$1,186,189</u>	<u>\$ 34,090</u>	<u>\$ (25,888)</u>	<u>\$1,194,391</u>
	<u>Balance</u> <u>January 1,</u> <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>1998</u>
Land	\$ 192,102	\$ -0-	\$ -0-	\$ 192,102
Buildings	616,511	-0-	-0-	616,511
Equipment	<u>385,778</u>	<u>23,091</u>	<u>-0-</u>	<u>408,869</u>
Total General				
Fixed Assets	<u>\$1,194,391</u>	<u>\$ 23,091</u>	<u>\$ -0-</u>	<u>\$1,217,482</u>

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

A summary of proprietary fund property, plant and equipment at December 31, 1998 and 1997 follows:

	<u>1998</u>	<u>1997</u>
Department of Water:		
Land	\$ 2,000	\$ 2,000
Distribution System	<u>1,369,218</u>	<u>1,273,656</u>
	1,371,218	1,275,656
Less Accumulated Depreciation	<u>(416,300)</u>	<u>(385,891)</u>
Total Department of Water	<u>954,918</u>	<u>889,765</u>
Department of Sewerage:		
Land	18,000	18,000
Sewer Treatment System	<u>1,525,704</u>	<u>1,443,151</u>
	1,543,704	1,461,151
Less Accumulated Depreciation	<u>(488,391)</u>	<u>(450,815)</u>
Total Department of Sewerage	<u>1,055,313</u>	<u>1,010,336</u>
Department of Solid Waste Disposal:		
Equipment	18,324	18,324
Less Accumulated Depreciation	<u>(13,788)</u>	<u>(11,928)</u>
Total Department of Solid Waste Disposal	<u>4,536</u>	<u>6,396</u>
Total Proprietary Fund Type	<u>\$2,014,767</u>	<u>\$1,906,497</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, 1997	\$ 490,000	\$ 490,000
Debt Retired - Serial Bonds	<u>(20,000)</u>	<u>(20,000)</u>
Bonds Payable at December 31, 1997	<u>\$ 470,000</u>	<u>\$ 470,000</u>
Debt Payable at January 1, 1998	\$ 470,000	\$ 470,000
Debt Retired - Serial Bonds	<u>(20,000)</u>	<u>(20,000)</u>
Bonds Payable at December 31, 1998	<u>\$ 450,000</u>	<u>\$ 450,000</u>

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

The following is a summary of all revenue bond transactions for the years ended December 31, 1998 and 1997.

Bonds Payable at January 1, 1997	\$ 490,000
Debt Retired Serial Bonds	<u>(20,000)</u>
Bonds Payable at December 31, 1997	<u>\$ 470,000</u>
Bonds Payable at January 1, 1998	470,000
New Issue	410,000
Debt Retired - Serial Bonds	<u>(20,000)</u>
Bonds Payable at December 31, 1998	<u>\$ 860,000</u>

In addition to \$20,000 and \$20,000 of debt retired, the Town paid \$44,210 and \$34,650 in interest in 1998 and 1997, respectively.

Debts Payable at December 31, 1998 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	\$ 450,000
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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	<u>410,000</u>
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Total Revenue Bonds	<u>\$ 860,000</u>
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(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize all debt outstanding as of December 31, 1998, including interest payments of \$483,435 are as follows:

Sales Year Ending December 31,	Sales Tax Bond Series 1990	Tax Bond Series 1998	Total
1999	57,020	30,870	87,890
2000	55,295	30,170	85,465
2001	53,545	29,480	83,025
2002	56,795	33,668	90,463
2003	54,695	32,745	87,440
2004 - 2008	295,445	160,678	456,123
2009 and thereafter	<u>116,520</u>	<u>336,509</u>	<u>453,029</u>
Totals	<u>\$ 689,315</u>	<u>\$ 654,120</u>	<u>\$1,343,435</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. The total sales taxes dedicated to the Debt Service Fund amounted to \$79,120 and \$75,098 in 1998 and 1997, respectively.

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 were \$0 and \$10,910, respectively.

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, 1998 is \$4,237,570, the maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 1998 is \$423,757 and \$1,483,150. The Town currently has no general bonded debt outstanding. Therefore, at December 31, 1998, the Town has a debt margin of \$1,483,150 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.

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.

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

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 1998 and 1997.

In 1997, the Town applied for and received a grant funded by the Louisiana Community Development Block Grant program to fund repairs to the Town's Streets.

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.

(8) CONTRIBUTED CAPITAL

Changes in contributed capital for the two years ended December 31, 1998, were as follows:

	<u>1998</u>	<u>1997</u>
Department of Water, Sewerage and Solid Waste Disposal:		
Balance at January 1,	\$1,501,859	\$1,549,134
Contributions	-0-	-0-
Amounts charged to contribution account for depreciation	<u>(47,276)</u>	<u>(47,275)</u>
Balance at December 31,	<u>\$1,454,583</u>	<u>\$1,501,859</u>

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

(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 \$7,753 and \$6,249 to this system during 1998 and 1997, respectively 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, 1998. The total rental expense for 1998 and 1997 was \$4,797 and \$4,547, respectively.

(11) OTHER REQUIRED FUND DISCLOSURES

(A) Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at December 31, 1998 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 3,747	\$ 63,774
Special Revenue	-0-	3,747
Enterprise	<u>63,774</u>	<u>-0-</u>
	<u>\$ 67,521</u>	<u>\$ 67,521</u>

(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, 1998 and 1997 for the services are as follows:

	<u>1998 Total</u>	<u>1997 Total</u>
Operating Revenues	\$ 836,989	\$ 735,973
Miscellaneous Revenues	<u>31,531</u>	<u>30,390</u>
	<u>868,520</u>	<u>766,363</u>
Operating Expenses:		
Depreciation	72,784	71,379
Other	<u>557,667</u>	<u>571,434</u>
	<u>630,451</u>	<u>642,813</u>
Operating Income (Loss)	<u>\$ 238,069</u>	<u>\$ 123,550</u>

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Net Income	\$ <u>390,928</u>	\$ <u>231,392</u>	
Contributions Received	\$ <u>-0-</u>	\$ <u>-0-</u>	
Assets	\$ <u>4,408,386</u>	\$ <u>3,480,157</u>	
Fund Equity	\$ <u>3,776,681</u>	\$ <u>3,385,753</u>	
Net Working Capital	\$ <u>834,490</u>	\$ <u>735,851</u>	
Acquisition of Property, Plant, and Equipment Completed Projects			
Construction In Progress	181,055	16,771	
	<u>248,512</u>	<u>-0-</u>	
	\$ <u>429,567</u>	\$ <u>16,771</u>	

(C) Operating Transfers

A reconciliation of operating transfers follows:

	<u>Operating Transfers</u>					
	<u>Year Ended December 31, 1998</u>		<u>Year Ended December 31, 1997</u>		<u>Year Ended December 31, 1996</u>	
	<u>In</u>	<u>Out</u>	<u>In</u>	<u>Out</u>	<u>In</u>	<u>Out</u>
General Fund	\$ 100,125	\$ -0-	\$ -0-	\$ -0-	\$ 47,088	\$ -0-
Special Revenue Fund						
One Cent Sales						
Tax - Streets	-0-	155,325	-0-	54,050	-0-	97,816
Debt Service Fund						
Sales Tax Fund	55,200	-0-	54,050	-0-	55,380	-0-
Capital Projects Fund						
Street Overlay Project	-0-	-0-	-0-	-0-	-0-	-0-
Town Hall Construction	-0-	-0-	-0-	-0-	-0-	4,652
Enterprise Fund	-0-	-0-	-0-	-0-	-0-	-0-
	<u>\$ 155,325</u>	<u>\$ 155,325</u>	<u>\$ 54,050</u>	<u>\$ 54,050</u>	<u>\$ 102,468</u>	<u>\$ 102,468</u>

(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 two years ended December 31, 1998, are as follows:

For the Year Ended December 31, 1997:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund:			
General Government	\$ 134,475	\$ 137,987	\$ (3,512)

For the Year Ended December 31, 1998

General Fund:			
Public Safety			
Police	123,913	126,308	(2,395)

(Continued)

TOWN OF BENTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

(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, 1998. 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 the projects. At December 31, 1998, \$259,237 of the \$410,000 remained in a restricted bank account to be expended towards completion of these projects.

**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, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
Current Assets:	\$ 490,249	\$ 371,218
Cash and Cash Equivalents		
Receivables:		
Ad Valorem Taxes	10,326	25,885
Other	-0-	1,940
Due from Other Funds:		
Special Revenue Fund	<u>3,747</u>	<u>3,747</u>
Total Current Assets	<u>\$ 504,322</u>	<u>\$ 402,790</u>
Restricted Assets:		
Cash and Cash Equivalents	<u>1,203</u>	<u>-0-</u>
Total Restricted Assets	<u>1,203</u>	<u>-0-</u>
Total Assets	<u>\$ 505,525</u>	<u>\$ 402,790</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 13,719	\$ 10,551
Due to Other Funds:		
Utility Fund	63,774	65,663
Deferred Revenue:		
Ad Valorem Taxes	<u>-0-</u>	<u>-0-</u>
Total Liabilities	<u>77,493</u>	<u>76,214</u>
Fund balance:		
Undesignated	<u>428,032</u>	<u>326,576</u>
Total Fund Balance	<u>428,032</u>	<u>326,576</u>
Total Liabilities and Fund Balance	<u>\$ 505,525</u>	<u>\$ 402,790</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, 1998

With Comparative Actual Figures for Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)	<u>1997 Actual</u>
Revenues:				
Taxes:				
Ad Valorem	\$ 51,656	\$ 51,609	\$ (47)	\$ 51,225
Sales	174,000	167,932	(6068)	140,770
Utility	23,000	26,194	3,194	23,813
Franchise	6,000	6,742	742	6,604
Licenses and Permits	82,562	82,657	95	76,830
Intergovernmental:				
Police Jury	3,200	3,200	-0-	3,200
Tobacco Taxes	10,600	10,649	49	10,649
Beer Tax	6,000	6,168	168	5,913
Fines and Forfeits	61,600	65,816	4,216	129,257
Interest	15,000	17,203	2,203	12,546
Miscellaneous	9,000	10,036	1,036	13,946
Total Revenues	<u>442,618</u>	<u>448,206</u>	<u>5,588</u>	<u>474,753</u>
Expenditures:				
General Government	145,100	141,088	4,012	137,987
Public Safety:				
Police	123,913	126,308	(2,395)	162,305
Streets and Drainage	145,200	132,897	12,303	100,909
Maintenance	47,100	46,582	518	42,333
Total Expenditures	<u>461,313</u>	<u>446,875</u>	<u>14,438</u>	<u>443,534</u>
Excess of Revenues over Expenditures	<u>(18,695)</u>	<u>1,331</u>	<u>20,026</u>	<u>31,219</u>
Other Financing Sources (Uses):				
Operating Transfers In	100,125	100,125	-0-	-0-
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>100,125</u>	<u>100,125</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	81,430	101,456	20,026	31,219
Fund Balances at Beginning of Year	326,576	326,576	-0-	244,604
Prior Period Adjustment	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>50,753</u>
Fund Balances at End of Year	<u>\$ 408,006</u>	<u>\$ 428,032</u>	<u>\$ 20,026</u>	<u>\$ 326,576</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, 1997
With Comparative Actual Figures for Year Ended December 31, 1996

	<u>Budget</u>	<u>1997 Actual</u>	Variance - <u>Favorable (Unfavorable)</u>	<u>1996 Actual</u>
Revenues:				
Taxes:				
Ad Valorem	\$ 50,750	\$ 51,225	\$ 475	\$ 47,581
Sales	140,000	140,770	770	141,145
Utility	23,600	23,813	213	25,179
Franchise	6,250	6,604	354	6,231
Licenses and Permits	74,900	76,830	1,930	83,561
Intergovernmental:				
Police Jury	3,300	3,200	(100)	3,200
Tobacco Taxes	10,600	10,649	49	10,649
Beer Tax	3,300	5,913	2,613	7,015
Fines and Forfeits	137,500	129,257	(8,243)	134,051
Interest	9,200	12,546	3,346	10,264
Miscellaneous	9,000	13,946	4,946	6,979
Total Revenues	<u>468,400</u>	<u>474,753</u>	<u>6,353</u>	<u>475,855</u>
Expenditures:				
General Government	134,475	137,987	(3,512)	121,211
Public Safety:				
Police	171,026	162,305	8,721	141,111
Streets and Drainage	110,485	100,909	9,576	163,212
Maintenance	43,975	42,333	1,642	33,168
Total Expenditures	<u>459,961</u>	<u>443,534</u>	<u>16,427</u>	<u>458,702</u>
Excess of Revenues over Expenditures	<u>8,439</u>	<u>31,219</u>	<u>22,780</u>	<u>17,153</u>
Other Financing Sources (Uses):				
Operating Transfers In	84,750	-0-	(84,750)	47,088
Operating Transfers Out	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>84,750</u>	<u>-0-</u>	<u>(84,750)</u>	<u>47,088</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	93,189	31,219	(61,970)	64,241
Fund Balances at				
Beginning of Year	244,604	244,604	-0-	180,363
Prior Period Adjustment	-0-	50,753	50,753	-0-
Fund Balances at End of Year	<u>\$ 337,793</u>	<u>\$ 326,576</u>	<u>\$ (11,217)</u>	<u>\$ 244,604</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.

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, 1998
With Comparative Totals for December 31, 1997

	Louisiana Community Development Block Grant Fund		One Cent Sales Tax Streets	Totals	
	Housing Rehab	Street Rehab		1998	1997
ASSETS					
Cash and Cash Equivalents	\$ 59,841	\$ -0-	\$ 274,940	\$ 334,781	\$ 314,255
Notes Receivable	<u>8,315</u>	<u>-0-</u>	<u>-0-</u>	<u>8,315</u>	<u>8,585</u>
Total Assets	<u>\$ 68,156</u>	<u>\$ -0-</u>	<u>\$ 274,940</u>	<u>\$ 343,096</u>	<u>\$ 322,840</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Due to Other Funds:					
General Fund	\$ <u>3,747</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>3,747</u>	<u>3,747</u>
Total Liabilities	<u>3,747</u>	<u>-0-</u>	<u>-0-</u>	<u>3,747</u>	<u>3,747</u>
Fund Balances - Unreserved					
Designated for Housing Rehabilitation	<u>64,409</u>	<u>-0-</u>	<u>-0-</u>	<u>64,409</u>	<u>62,832</u>
Designated for Street Rehabilitation	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Designated for Streets and Drainage Improvements	<u>-0-</u>	<u>-0-</u>	<u>274,940</u>	<u>274,940</u>	<u>256,261</u>
Total Fund Balance	<u>64,409</u>	<u>-0-</u>	<u>274,940</u>	<u>339,349</u>	<u>319,093</u>
Total Liabilities and Fund Balance	<u>\$ 68,156</u>	<u>\$ -0-</u>	<u>\$ 274,940</u>	<u>\$ 343,096</u>	<u>\$ 322,840</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, 1998
With Comparative Totals for December 31, 1997

	Louisiana Community Development Block Grant Fund		One Cent Sales Tax Streets	Totals	
	Housing Rehab	Street Rehab		1998	1997
Revenues:					
Sales Tax	\$ -0-	-0-	\$ 167,931	\$ 167,931	\$ 140,770
Interest Income	1,577	-0-	6,073	7,650	7,075
Intergovernmental	-0-	-0-	-0-	-0-	46,220
Total Revenues	<u>1,577</u>	<u>-0-</u>	<u>174,004</u>	<u>175,581</u>	<u>194,065</u>
Expenditures:					
General Government	-0-	-0-	-0-	-0-	4
Street and Damage Maintenance	-0-	-0-	-0-	-0-	46,220
Total Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>46,224</u>
Excess of Revenues over Expenditures	<u>1,577</u>	<u>-0-</u>	<u>174,004</u>	<u>175,581</u>	<u>147,841</u>
Other Financing Sources (Uses):					
Operating Transfers In	-0-	-0-	-0-	-0-	-0-
Operating Transfers Out	-0-	-0-	(155,325)	(155,325)	(54,050)
Recovery of Bad Debts	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>(155,325)</u>	<u>(155,325)</u>	<u>(54,050)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	1,577	-0-	18,679	20,256	93,791
Fund Balance at Beginning of Year	<u>62,832</u>	<u>-0-</u>	<u>256,261</u>	<u>319,093</u>	<u>225,302</u>
Fund Balance at End of Year	<u>\$ 64,409</u>	<u>\$ -0-</u>	<u>\$ 274,940</u>	<u>\$ 339,349</u>	<u>\$ 319,093</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, 1997
With Comparative Totals for December 31, 1996

	Louisiana Community Development Block Grant Fund		One Cent Sales Tax Streets	Totals	
	Housing Rehab	Street Rehab		1997	1996
Revenues:					
Sales Tax	\$ -0-	\$ -0-	140,770	\$ 140,770	\$ 141,146
Interest Income	1,489	-0-	5,586	7,075	4,523
Intergovernmental	-0-	46,220	-0-	46,220	-0-
Total Revenues	<u>1,489</u>	<u>46,220</u>	<u>146,356</u>	<u>194,065</u>	<u>145,669</u>
Expenditures:					
General Government	-0-	-0-	4	4	-0-
Street and Drainage Maintenance	-0-	46,220	-0-	46,220	-0-
Total Expenditures	<u>-0-</u>	<u>46,220</u>	<u>4</u>	<u>46,224</u>	<u>-0-</u>
Excess of Revenues over Expenditures	<u>1,489</u>	<u>-0-</u>	<u>146,352</u>	<u>147,841</u>	<u>145,669</u>
Other Financing Sources (Uses):					
Operating Transfers In	-0-	-0-	-0-	-0-	-0-
Operating Transfers Out	-0-	-0-	(54,050)	(54,050)	(97,816)
Recovery of Bad Debts	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>(54,050)</u>	<u>(54,050)</u>	<u>(97,816)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	1,489	-0-	92,302	93,791	47,853
Fund Balance at Beginning of Year	<u>61,343</u>	<u>-0-</u>	<u>163,959</u>	<u>225,302</u>	<u>177,449</u>
Fund Balance at End of Year	<u>\$ 62,832</u>	<u>\$ -0-</u>	<u>\$ 256,261</u>	<u>\$ 319,093</u>	<u>\$ 225,302</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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash And Cash Equivalents	\$ <u>79,120</u>	\$ <u>75,098</u>
Total Assets	\$ <u><u>79,120</u></u>	\$ <u><u>75,098</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Interest and Service Fee Payable	\$ -0-	\$ -0-
Fund Balance:		
Reserved for Debt Service	<u>79,120</u>	<u>75,098</u>
Total Liabilities and Fund Balance	\$ <u><u>79,120</u></u>	\$ <u><u>75,098</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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Interest on Investments	\$ <u>2,122</u>	\$ <u>2,070</u>
Expenditures - Debt Service:		
Principal Retirement	20,000	20,000
Interest and Fiscal Charges	<u>33,300</u>	<u>34,650</u>
Total Expenditures	<u>53,300</u>	<u>54,650</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(51,178)</u>	<u>(52,580)</u>
Other Financing Sources (Uses):		
Operating Transfers In	<u>55,200</u>	<u>54,050</u>
Total Other Financing Sources (Uses)	<u>55,200</u>	<u>54,050</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	4,022	1,470
Fund Balance at Beginning of Year	<u>75,098</u>	<u>73,628</u>
Fund Balance at End of Year	<u>\$ 79,120</u>	<u>\$ 75,098</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, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Interest on Investments	\$ <u>2,070</u>	\$ <u>1,651</u>
Expenditures - Debt Service:		
Principal Retirement	20,000	20,000
Interest and Fiscal Charges	<u>34,650</u>	<u>35,980</u>
Total Expenditures	<u>54,650</u>	<u>55,980</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(52,580)</u>	<u>(54,329)</u>
Other Financing Sources (Uses):		
Operating Transfers In	<u>54,050</u>	<u>55,380</u>
Total Other Financing Sources (Uses)	<u>54,050</u>	<u>55,380</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	1,470	1,051
Fund Balance at Beginning of Year	<u>73,628</u>	<u>72,577</u>
Fund Balance at End of Year	<u>\$ 75,098</u>	<u>\$ 73,628</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

BALANCE SHEETS
December 31, 1998
With Comparative Totals for December 31, 1997

	<u>Street Overlay Project Fund</u>	<u>1998</u>	<u>Totals</u>	<u>1997</u>
ASSETS				
Cash and Cash Equivalents	\$ <u>30,331</u>	\$ <u>30,331</u>		\$ <u>29,557</u>
Total Assets	\$ <u><u>30,331</u></u>	\$ <u><u>30,331</u></u>		\$ <u><u>29,557</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ <u>-0-</u>	\$ <u>-0-</u>		\$ <u>-0-</u>
Total Liabilities	<u>-0-</u>	<u>-0-</u>		<u>-0-</u>
Fund Balances:				
Unreserved:				
Designated for Subsequent Year Expenditures	<u>30,331</u>	<u>30,331</u>		<u>29,557</u>
Total Fund Balances	<u>30,331</u>	<u>30,331</u>		<u>29,557</u>
Total Liabilities and Fund Balances	\$ <u><u>30,331</u></u>	\$ <u><u>30,331</u></u>		\$ <u><u>29,557</u></u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA
CAPITAL PROJECTS FUND

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

With Comparative Totals for Year Ended December 31, 1997

	<u>Street Overlay Project Fund</u>	<u>Totals 1998</u>	<u>1997</u>
Revenues:			
Interest	\$ <u>774</u>	\$ <u>774</u>	\$ <u>758</u>
Total Revenues	<u>774</u>	<u>774</u>	<u>758</u>
Expenditures			
Project Expenditures and Engineering Fees	-0-	-0-	-0-
Bank Service Charges	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>774</u>	<u>774</u>	<u>758</u>
Other Financing Sources (Uses) -			
Operating Transfers In:			
General Fund	-0-	-0-	-0-
Enterprise Fund	-0-	-0-	-0-
Operating Transfers Out:			
General Fund	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	774	774	758
Fund Balance at Beginning of Year	<u>29,557</u>	<u>29,557</u>	<u>28,799</u>
Fund Balance at End of Year	<u>\$ 30,331</u>	<u>\$ 30,331</u>	<u>\$ 29,557</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA
CAPITAL PROJECTS FUND

STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year Ended December 31, 1997
With Comparative Totals for Year Ended December 31, 1996

	<u>Street Overlay Project Fund</u>	<u>1997</u>	<u>Totals</u>	<u>1996</u>
Revenues:				
Interest	\$ 758	\$ 758		\$ 688
Total Revenues	<u>758</u>	<u>758</u>		<u>688</u>
Expenditures				
Project Expenditures and Engineering Fees	-0-	-0-		3,605
Bank Service Charges	<u>-0-</u>	<u>-0-</u>		<u>98</u>
Total Expenditures	<u>-0-</u>	<u>-0-</u>		<u>3,703</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>758</u>	<u>758</u>		<u>(3,015)</u>
Other Financing Sources (Uses) -				
Operating Transfers In:				
General Fund	-0-	-0-		-0-
Enterprise Fund	<u>-0-</u>	<u>-0-</u>		<u>-0-</u>
Operating Transfers Out:				
General Fund	<u>-0-</u>	<u>-0-</u>		<u>4,652</u>
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>		<u>(4,652)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	758	758		(7,667)
Fund Balance at Beginning of Year	<u>28,799</u>	<u>28,799</u>		<u>36,466</u>
Fund Balance at End of Year	<u>\$ 29,557</u>	<u>\$ 29,557</u>		<u>\$ 28,799</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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 817,394	\$ 594,560
Accounts Receivable - Customers	54,197	56,134
Due from Other Funds:		
General Fund	<u>63,774</u>	<u>65,663</u>
Total Current Assets	<u>935,365</u>	<u>716,357</u>
Restricted assets:		
Capital Additions Contingency -		
Cash and Cash Equivalents	1,088,911	743,405
Customers' Deposits -		
Cash and Cash Equivalents	<u>120,830</u>	<u>113,898</u>
Total Restricted Assets	<u>1,209,741</u>	<u>857,303</u>
Property, Plant and Equipment:		
Plant and Equipment, at Cost	2,933,246	2,755,131
Less-Accumulated Depreciation	<u>(918,479)</u>	<u>(848,634)</u>
Net Property, Plant and Equipment	<u>2,014,767</u>	<u>1,906,497</u>
Other Assets		
Construction in progress	<u>248,513</u>	<u>-0-</u>
Total Other Assets	<u>248,513</u>	<u>-0-</u>
Total Assets	<u>\$4,408,386</u>	<u>\$3,480,157</u>

(Continued)

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

COMPARATIVE BALANCE SHEETS
December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current Liabilities		
(Payable from Current Assets):		
Accounts Payable	\$ <u>148,528</u>	\$ <u>25,535</u>
Total Current Liabilities		
(Payable from Current Assets)	<u>148,528</u>	<u>25,535</u>
Current Liabilities		
(Payable from Restricted Assets):		
Customers' Refundable Deposits	73,177	68,869
Current Portion Of Long Term Debt	<u>10,000</u>	<u>-0-</u>
Total Current Liabilities		
(Payable from Restricted Assets)	<u>83,177</u>	<u>68,869</u>
Long Term Debt	<u>400,000</u>	<u>-0-</u>
Total Liabilities	<u>631,705</u>	<u>94,404</u>
Fund Equity:		
Contributed Capital:		
Municipality	22,902	27,104
Other Government Agencies	1,309,333	1,349,310
Subdividers	<u>122,348</u>	<u>125,445</u>
Total Contributed Capital	<u>1,454,583</u>	<u>1,501,859</u>
Retained Earnings:		
Reserved for Revenue		
Bond Requirements	20,870	-0-
Reserved for Capital Additions	769,689	743,405
Unreserved	<u>1,531,539</u>	<u>1,140,489</u>
Total Retained Earnings	<u>2,322,098</u>	<u>1,883,894</u>
Total Fund Equity	<u>3,776,681</u>	<u>3,385,753</u>
Total Liabilities		
and Fund Equity	<u>\$4,408,386</u>	<u>\$3,480,157</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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating Revenues:		
Charges for Services:		
Metered Water Sales	\$ 540,176	\$ 456,078
Sewerage Service Charges	172,340	157,646
Solid Waste Disposal Service Charges	75,085	74,236
Customer Billing Service Charge	<u>49,388</u>	<u>48,013</u>
	836,989	735,973
Miscellaneous Revenues	<u>31,531</u>	<u>30,390</u>
Total Revenues	<u>868,520</u>	<u>766,363</u>
Operating Expenses:		
Personal Services	147,403	131,582
Purchase of Water	237,442	212,363
Supplies	11,784	10,588
Utilities	20,249	21,425
Repairs and Maintenance	45,736	90,628
Contractual Services		
and Tipping Fees	68,757	67,655
Miscellaneous	26,296	37,193
Depreciation	<u>72,784</u>	<u>71,379</u>
Total Expenses	<u>630,451</u>	<u>642,813</u>
Operating Income (Loss)	<u>238,069</u>	<u>123,550</u>
Nonoperating Revenues (Expenses):		
Grant Revenue	25,000	-0-
Interest Income	55,460	37,457
Interest Expense	(10,910)	-0-
Sales Taxes	83,309	70,385
Operating Transfers Out	<u>-0-</u>	<u>-0-</u>
Total Nonoperating		
Revenues (Expenses)	<u>152,859</u>	<u>107,842</u>
Net Income	390,928	231,392
Amounts charged to Contribution Accounts -		
Depreciation on Contributed Assets	47,276	47,276
Retained Earnings at Beginning of Year	<u>1,883,894</u>	<u>1,605,226</u>
Retained Earnings at End of Year	<u>\$2,322,098</u>	<u>\$1,883,894</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, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Operating Revenues:		
Charges for Services:		
Metered Water Sales	\$ 456,078	\$ 418,185
Sewerage Service Charges	157,646	145,327
Solid Waste Disposal Service Charge	74,236	72,939
Customer Billing Service Charges	<u>48,013</u>	<u>45,850</u>
	735,973	682,301
Miscellaneous Revenues	<u>30,390</u>	<u>42,586</u>
Total Revenues	<u>766,363</u>	<u>724,887</u>
Operating Expenses:		
Personal Services	131,582	109,576
Purchase of Water	212,363	210,940
Supplies	10,588	16,594
Utilities	21,425	17,570
Repairs and Maintenance	90,628	75,932
Contractual Services and Tipping Fees	67,655	64,826
Miscellaneous	37,193	34,249
Depreciation	<u>71,379</u>	<u>68,468</u>
Total Expenses	<u>642,813</u>	<u>598,155</u>
Operating Income (Loss)	<u>123,550</u>	<u>126,732</u>
Nonoperating Revenues (Expenses):		
Interest Income	37,457	28,116
Sales Taxes	70,385	70,573
Operating Transfers Out	<u>-0-</u>	<u>(616)</u>
Total Nonoperating Revenues (Expenses)	<u>107,842</u>	<u>98,073</u>
Net Income	231,392	224,805
Amounts charged to Contribution Accounts -		
Depreciation on Contributed Assets	47,276	47,276
Retained Earnings at Beginning of Year	1,605,226	1,338,820
Prior Year Adjustment	<u>-0-</u>	<u>(5,675)</u>
Retained Earnings at End of Year	<u>\$1,883,894</u>	<u>\$1,605,226</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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash Flows from Operating Activities:		
Operating Net Income (Loss)	\$ 238,069	\$ 123,550
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	72,784	71,379
(Increase) Decrease in Accounts Receivable - Customers	1,937	2,552
Increase (Decrease) in Accounts Payable	122,993	(6,009)
(Increase) Decrease in Due from Other Funds	1,889	2,324
Increase in Customers' Refundable Deposits	<u>4,308</u>	<u>2,862</u>
Net Cash Provided (Used) by Operating Activities	<u>441,980</u>	<u>196,658</u>
Cash Flows from Noncapital Financing Activities:		
Sales Tax Collected	83,309	70,385
Operating Transfers Out	-0-	-0-
Grant Revenue	<u>25,000</u>	<u>-0-</u>
Net Cash Flows from Noncapital Financing Activities	<u>108,309</u>	<u>70,385</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(429,567)	(16,771)
Proceeds from Sale of Revenue Bonds	410,000	-0-
Interest Paid of Revenue Bonds	<u>(10,910)</u>	<u>-0-</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(30,477)</u>	<u>(16,771)</u>
Cash Flows from Investing Activities:		
Interest Income	<u>55,460</u>	<u>37,457</u>
Net Cash Provided by Investing Activities	<u>55,460</u>	<u>37,457</u>
Net Increase in Cash and Cash Equivalents	575,272	287,729
Cash and Cash Equivalents at Beginning of Year	<u>1,451,863</u>	<u>1,164,134</u>
Cash and Cash Equivalents at End of Year	<u>\$2,027,135</u>	<u>\$1,451,863</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, 1997 and 1996

	1997	1996
Cash Flows from Operating Activities:		
Operating Net Income (Loss)	\$ 123,550	\$ 126,732
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	71,379	68,468
(Increase) Decrease in Accounts Receivable - Customers	2,552	(7,216)
Increase (Decrease) in Accounts Payable	(6,009)	5,965
(Increase) Decrease in Due from Other Funds	2,324	2,302
Increase in Customers' Refundable Deposits	2,862	2,510
Net Cash Provided (Used) by Operating Activities	196,658	198,761
Cash Flows from Noncapital Financing Activities:		
Sales Tax Collected	70,385	70,573
Operating Transfers Out	-0-	(616)
Net Cash Flows from Noncapital Financing Activities	70,385	69,957
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(16,771)	(102,771)
Net Cash Provided (Used) for Capital and Related Financing Activities	(16,771)	(102,771)
Cash Flows from Investing Activities:		
Interest Income	37,457	28,116
Net Cash Provided by Investing Activities	37,457	28,116
Net Increase in Cash and Cash Equivalents	287,729	194,063
Cash and Cash Equivalents at Beginning of Year	1,164,134	970,071
Cash and Cash Equivalents at End of Year	\$1,451,863	\$1,164,134

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, 1998, 1997 and 1996

	<u>1998</u>	<u>1997</u>	<u>1996</u>
General Fixed Assets:			
Land	\$ 192,102	192,102	192,102
Building	616,511	616,511	616,511
Equipment	<u>408,869</u>	<u>385,778</u>	<u>377,576</u>
Total General Fixed Assets	<u>\$1,217,482</u>	<u>\$1,194,391</u>	<u>\$1,186,189</u>
Investment in General Fixed Assets:			
General Fund Revenues	\$1,088,553	\$1,065,462	\$1,057,260
Federal Revenue Sharing	7,067	7,067	7,067
Other Governmental Source	115,959	115,959	115,959
Enterprise Fund Revenues	<u>5,903</u>	<u>5,903</u>	<u>5,903</u>
Total Investment in General Fixed Assets	<u>\$1,217,482</u>	<u>\$1,194,391</u>	<u>\$1,186,189</u>

See accompanying notes to combined financial statements.

TOWN OF BENTON, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
For the Two Years ended December 31, 1998

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General Fixed Assets January 1, 1997	\$ <u>192,102</u>	\$ <u>616,511</u>	\$ <u>377,576</u>	\$ <u>1,186,189</u>
Additions:				
General Fund Revenues	<u>-0-</u>	<u>-0-</u>	<u>34,090</u>	<u>34,090</u>
Total Additions	<u>-0-</u>	<u>-0-</u>	<u>34,090</u>	<u>34,090</u>
Deletions:				
General Fund Revenues	<u>-0-</u>	<u>-0-</u>	<u>(25,888)</u>	<u>(25,888)</u>
Total Deletions	<u>-0-</u>	<u>-0-</u>	<u>(25,888)</u>	<u>(25,888)</u>
General Fixed Assets December 31, 1997	\$ <u>192,102</u>	\$ <u>616,511</u>	\$ <u>385,778</u>	\$ <u>1,194,391</u>
General Fixed Assets January 1, 1998	\$ <u>192,102</u>	\$ <u>616,511</u>	\$ <u>385,778</u>	\$ <u>1,194,391</u>
Additions:				
General Fund Revenues	<u>-0-</u>	<u>-0-</u>	<u>23,091</u>	<u>23,091</u>
Total Additions	<u>-0-</u>	<u>-0-</u>	<u>23,091</u>	<u>23,091</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, 1998	\$ <u>192,102</u>	\$ <u>616,511</u>	\$ <u>408,869</u>	\$ <u>1,217,482</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

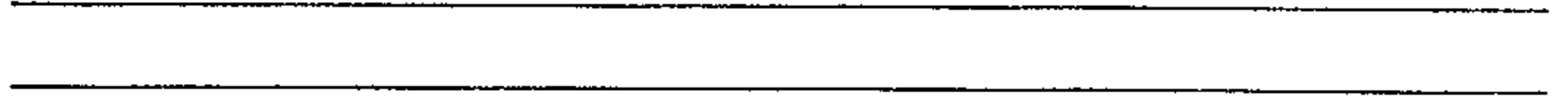
SCHEDULE OF CHANGES IN LONG-TERM OBLIGATIONS

For the Two Years Ended December 31, 1998

	<u>December 31,</u> <u>1996</u>	<u>Additions</u>	<u>Payments/ Reductions</u>	<u>December 31,</u> <u>1997</u>
Amount Available in Debt Service Funds	\$ 73,628	\$ 1,470	\$ -0-	\$ 75,098
Amount to be Provided for Retirement of General Long Term Debt	<u>416,372</u>	<u>-0-</u>	<u>21,470</u>	<u>394,902</u>
	<u>\$ 490,000</u>	<u>\$ 1,470</u>	<u>\$ 21,470</u>	<u>\$ 470,000</u>
Long-term Obligations Payable:				
Revenue Bonds Payable- General Town Operations	<u>490,000</u>	<u>-0-</u>	<u>20,000</u>	<u>470,000</u>
	<u>\$ 490,000</u>	<u>\$ -0-</u>	<u>\$ 20,000</u>	<u>\$ 470,000</u>
	<u>December 31,</u> <u>1997</u>	<u>Additions</u>	<u>Payments/ Reductions</u>	<u>December 31,</u> <u>1998</u>
Amount Available in Debt Service Funds	\$ 75,098	\$ 4,022	\$ -0-	\$ 79,120
Amount to be Provided for Retirement of General Long Term Debt	<u>394,902</u>	<u>-0-</u>	<u>24,022</u>	<u>370,880</u>
	<u>\$ 470,000</u>	<u>\$ 4,022</u>	<u>\$ 24,022</u>	<u>\$ 450,000</u>
Long-term Obligations Payable:				
Revenue Bonds Payable- General Town Operations	<u>470,000</u>	<u>-0-</u>	<u>20,000</u>	<u>450,000</u>
	<u>\$ 470,000</u>	<u>\$ -0-</u>	<u>\$ 20,000</u>	<u>\$ 450,000</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 Two Years Ended December 31, 1998

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>	
	<u>1998</u>	<u>1997</u>
Mayor:		
Carl Janzen	\$ 14,400	\$ 14,400
Board of Aldermen:		
Thelma Harry	2,325	2,250
Zella Mayfield	2,400	2,250
Charles Carraway	2,325	2,250
Elizabeth Knotts	2,325	2,250
John Barnette	<u>2,400</u>	<u>2,250</u>
	<u>\$ 26,175</u>	<u>\$ 25,650</u>

TOWN OF BENTON, LOUISIANA

YEAR 2000 DISCLOSURE

(UNAUDITED)

DECEMBER 31, 1998

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The Town has completed an inventory of computer systems and has elected to replace all of the systems that are critical to conducting operations of the Town's office. Management of the Town has contacted outside vendors for remediation, testing and validation. The approximate cost for replacing the systems is expected to be an insignificant amount. The anticipated validation date is before December 31, 1999.

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

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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 financial statements of the Town of Benton, Louisiana as of and for the two years ended December 31, 1998, and have issued my report thereon dated June 26, 1999. 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 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.

James P. Barta

June 26, 1999

TOWN OF BENTON, LOUISIANA
SUMMARY SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 1998

Corrective Action Plan for Prior Audit Findings

Reference No: Finding No. 96-1

Description of Finding: Lack of adequate segregation of duties within the office staff in handling the Town's monies.

Corrective Action Taken: Management has put in place additional controls that gives additional assurance that all monies are adequately accounting for and properly recorded.

Reference No: Finding No. 96-2

Description of Finding: Lack of maintaining and accounting for of the Town's records.

Corrective Action Taken: Management has obtained additional personnel that has computerized many of the Town's records and monitors these records on a periodic basis.

Corrective Action Plan for Current Year Audit Findings

There were no findings or management letter comments for the current year audit for the two years ended December 31, 1998.