

**Town of Benton
Benton, Louisiana
Financial Statement with Auditors' Report
As of and For the Year Ended December 31, 2024**

Town of Benton
Benton, Louisiana

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Benton, Louisiana

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Independent Auditors' Report

The Honorable James Friday
and Members of the Town Council
Town of Benton
Benton, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Benton, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Benton's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the governmental activities, the business-type activities, and each major fund of the Town of Benton, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Benton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Benton's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Benton's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Benton's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 – 10 and 52 - 54, the schedule of proportionate share of net pension liability on page 55, and the schedule of contributions on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

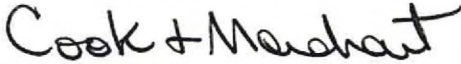
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Benton's basic financial statements. The accompanying other supplementary information listed in the table of contents and shown on pages 57 – 59 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, shown on pages 60, is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the

underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Town of Benton prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedule, Justice System Funding Schedule, shown on pages 61 - 62, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This schedule is presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Justice System Funding Schedule, shown on pages 61 - 62, is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the Town of Benton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Benton's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Benton's internal control over financial reporting and compliance.


Cook & Morehart
Certified Public Accountants
June 23, 2025

TOWN OF BENTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Benton's financial performance provides an overview of the Town of Benton's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the Town's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- The Town of Benton's net position of our governmental activities increased by \$809,279 or 5%. The Town of Benton's net position of our business-type activities increased \$528,761 or 6%.
- In the Town's governmental activities, total general and program revenues were \$3,133,590 in 2024 compared to \$3,173,087 in 2023. Total expenses, excluding depreciation, totaled \$1,881,991 for the year ended December 31, 2024.
- In the Town's business-type activities, total revenues were \$3,964,607 in 2024 compared to \$3,010,475 in 2023. Total expenses, excluding depreciation, totaled \$2,961,386 for the year ended December 31, 2024.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11 and 12) provide information about the activities of the Town of Benton as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town of Benton's operations in more detail than the government-wide statements by providing information about the Town of Benton's most significant funds.

Reporting the Town of Benton as a Whole

Our analysis of the Town of Benton as a whole begins on page 11. One of the most important questions asked about the Town of Benton's finances is "Is the Town of Benton as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Town of Benton as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town of Benton's *net positions* and changes in them. You can think of the Town of Benton's net position – the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources – as one way to measure the Town of Benton's financial health, or *financial position*. Over time, *increases* or *decreases* in the Town of Benton's net positions are

one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental activities – Most of the Town's basic services are reported here, including the police, public works, and general administration. Property taxes, franchise fees, sales taxes, and police department fines, and various other revenues finance most of these activities.

Business-type activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water, sewer, and sanitation systems are reported here.

Reporting the Town's Most Significant Funds

Our analysis of the major funds maintained by the Town of Benton begins on page 13. The fund financial statements begin on page 13 and provide detailed information about the most significant funds maintained by the Town of Benton – not the Town of Benton as a whole. The Town of Benton's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

Governmental funds – Most of the Town of Benton's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town of Benton's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Town of Benton expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.

Proprietary funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

THE TOWN OF BENTON AS A WHOLE

The Town of Benton's combined net position changed from a year ago, increasing from \$24,058,809, as restated, to \$25,396,849. A comparative analysis of the funds maintained by the Town of Benton is presented in Table 1 below:

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 8,203,123	\$ 7,889,917	\$ 4,640,913	\$ 5,116,789	\$ 12,844,036	\$ 13,006,706
Capital assets	8,500,295	8,161,616	6,041,258	5,504,250	14,541,553	13,665,866
Total assets	<u>16,703,418</u>	<u>16,051,533</u>	<u>10,682,171</u>	<u>10,621,039</u>	<u>27,385,589</u>	<u>26,672,572</u>
Deferred outflows of resources	<u>237,517</u>	<u>398,938</u>	<u>180,936</u>	<u>181,685</u>	<u>418,453</u>	<u>580,623</u>
Other Liabilities	54,731	268,579	654,178	1,039,523	708,909	1,308,102
Long-term liabilities	1,178,906	1,238,526	262,247	293,765	1,441,153	1,532,291
Total liabilities	<u>1,233,637</u>	<u>1,507,105</u>	<u>916,425</u>	<u>1,333,288</u>	<u>2,150,062</u>	<u>2,840,393</u>
Deferred inflows of resources	<u>221,371</u>	<u>213,868</u>	<u>35,760</u>	<u>55,663</u>	<u>257,131</u>	<u>269,531</u>
Net position:						
Net investment in capital assets	8,457,960	7,940,318	5,827,949	5,503,986	14,285,909	13,444,304
Restricted	5,135,734	4,798,692			5,135,734	4,798,692
Unrestricted	1,892,233	1,990,488	4,082,973	3,909,787	5,975,206	5,900,275
Total net position	<u>\$ 15,485,927</u>	<u>\$ 14,729,498</u>	<u>\$ 9,910,922</u>	<u>\$ 9,413,773</u>	<u>\$ 25,396,849</u>	<u>\$ 24,143,271</u>

Net position of the Town of Benton's governmental activities increased by \$809,279 or 5%. Net position of the Town of Benton's business-type activities increased by \$528,761 or 6%. See Table 2 below:

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 351,400	\$ 343,567	\$ 2,563,249	\$ 2,476,522	\$ 2,914,649	\$ 2,820,089
Operating grants	98,029	203,537	68,436	44,659	166,465	248,196
Capital grants	234,331	418,415	795,171	22,800	1,029,502	441,215
General revenue						
Ad valorem taxes	209,600	203,846			209,600	203,846
Sales taxes	1,922,762	1,841,793	478,455	459,595	2,401,217	2,301,388
Franchise taxes	66,549	67,273			66,549	67,273
Gaming taxes	113,516	110,196			113,516	110,196
Investment earnings	108,546	18,380	59,296	6,899	167,842	25,279
Miscellaneous	28,857	34,876			28,857	34,876
Loss on disposal		(68,796)				(68,796)
Transfers	15,767	(30,240)	(15,767)	30,240		
Total revenues	<u>3,149,357</u>	<u>3,142,847</u>	<u>3,948,840</u>	<u>3,040,715</u>	<u>7,098,197</u>	<u>6,183,562</u>
Expenses						
General government	649,388	656,547			649,388	656,547
Public safety	1,127,020	1,051,912			1,127,020	1,051,912
Public works	544,852	471,535			544,852	471,535
Parks and recreation	18,818	16,507			18,818	16,507
Water, sewer, and sanitation			3,420,079	3,596,780	3,420,079	3,596,780
Total expenses	<u>2,340,078</u>	<u>2,196,501</u>	<u>3,420,079</u>	<u>3,596,780</u>	<u>5,760,157</u>	<u>5,793,281</u>
 Change in net position	 <u>\$ 809,279</u>	 <u>\$ 946,346</u>	 <u>\$ 528,761</u>	 <u>\$ (556,065)</u>	 <u>\$ 1,338,040</u>	 <u>\$ 390,281</u>

The Town's total revenues increased by \$914,635 or 15%. The total cost of all programs and services decreased \$33,124 or 1%. Our analysis below separately considers the operations of the governmental and business-type activities.

Governmental Activities

Total revenues for the governmental activities increased by \$6,510 or .2% from total revenues in the year ended December 31, 2023 of \$3,142,847 to total revenues of \$3,149,357 in the year ended December 31, 2024.

The cost of all governmental activities this year was \$2,340,078. These costs were covered in part by \$683,760 of program revenues, with the remainder covered by general revenues, including ad valorem and sales taxes.

Business-type Activities

Total revenues for the business-type activities increased \$908,125 or 30% from total revenues in the year ended December 31, 2023 of \$3,040,715 to total revenues of \$3,948,840 in the year ended December 31, 2024. This increase is due primarily to an increase in capital grants and contributions.

The cost of all business-type activities this year was \$3,420,079. These costs were covered by program revenues, consisting of charges for services assessed to users and capital grants and contributions.

THE TOWN'S FUNDS

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a *combined* fund balance of \$8,064,573, which is higher than last year's fund balance of \$7,542,640, as restated.

General Fund Budgetary Highlights

The Town adopted a budget for its General Fund for the year ended December 31, 2024. There was one amendment to the budget during the year. The Town's budgetary comparison is presented as required supplementary information and shown on page 52. Highlights for the year are as follows:

- General government expenditures were approximately \$172,415 over budgeted amounts.
- Overall revenues and other financing sources were approximately \$78,958 less than budgeted amounts.

The Town's General Fund balance of \$2,928,839 reported on page 15 differs from the General Fund's budgetary fund balance of \$2,423,836 reported in the budgetary comparison schedule on page 52. This is primarily due to the Town budgeting on the cash basis of accounting.

CAPITAL ASSESTS

At the end of December 31, 2024, the Town of Benton had invested \$14,541,553 in capital assets. (see table 3 below)

Table 3
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 209,775	\$ 209,775	\$ 29,500	\$ 29,500	\$ 239,275	\$ 239,275
Construction in progress	15,250	266,060	830,231	167,791	845,481	433,851
Buildings	161,764	166,068			161,764	166,068
Infrastructure	7,572,896	6,930,838			7,572,896	6,930,838
Furniture, equipment, and vehicles	523,307	564,932			523,307	564,932
Leased assets	17,303	23,943	6,135	256	23,438	24,199
Sewer system and equipment			3,389,259	3,533,297	3,389,259	3,533,297
Water system			1,786,133	1,773,406	1,786,133	1,773,406
Total assets	<u>\$ 8,500,295</u>	<u>\$ 8,161,616</u>	<u>\$ 6,041,258</u>	<u>\$ 5,504,250</u>	<u>\$ 14,541,553</u>	<u>\$ 13,665,866</u>

This year's major additions included:

Sewer equipment	\$ 185,616
Infrastructure	735,823
Construction in progress	662,440
Equipment and vehicles	201,226
Total	<u>\$ 1,785,105</u>

More detailed information about the capital assets are presented in Note 8 to the financial statements.

DEBT

At the end of 2024 the Town had \$1,446,870 in long-term liabilities as described below:

Outstanding Debt At Year End

	Governmental Activites		Business-Type Activites		Totals	
	2024	2023	2024	2023	2024	2023
Net Pension Liability	\$ 1,095,591	\$ 1,201,345	\$ 256,030	\$ 293,501	\$ 1,351,621	\$ 1,494,846
Lease assets	17,891	24,319	6,217	264	24,108	24,583
Compensated Absences	65,424	12,862			65,424	12,862
	<u>\$ 1,178,906</u>	<u>\$ 1,238,526</u>	<u>\$ 262,247</u>	<u>\$ 293,765</u>	<u>\$ 1,441,153</u>	<u>\$ 1,532,291</u>

More detailed information about the long-term liabilities is presented in Note 13 to the financial statements.

In accordance with GASB Statement No. 68, the Town is reporting a net pension liability of \$1,351,621, on the Statement of Net Position for governmental and business-type activities at December 31, 2024. Additional information about the Town's net position liability is presented in Note 15 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town of Benton's management considered many factors when setting a fiscal year December 31, 2025 budget. Amounts available for appropriation in the governmental funds are expected to remain substantially the same as 2024. Expenditures for 2025 are expected to remain substantially the same as 2024.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Town of Benton and to show the Town of Benton's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Mayor at P.O. Box 336, Benton, LA 71006.

Town of Benton
Benton, Louisiana
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,861,954	\$ 3,845,012	\$ 11,706,966
Receivables	342,034	482,290	824,324
Prepaid expenses	44,640	44,756	89,396
Restricted assets:			
Cash and cash equivalents		223,350	223,350
Capital assets			
Depreciable (net)	8,275,270	5,181,527	13,456,797
Non-depreciable	225,025	859,731	1,084,756
Internal balances	(45,505)	45,505	
Total assets	<u>16,703,418</u>	<u>10,682,171</u>	<u>27,385,589</u>
Deferred outflows of resources - pension related	<u>237,517</u>	<u>180,936</u>	<u>418,453</u>
Liabilities			
Accounts payable and accrued expenses	54,731	430,828	485,559
Payable from restricted assets:			
Customer deposits		223,350	223,350
Non-current liabilities:			
Due within one year	26,400	1,395	27,795
Due in more than one year	1,152,506	260,852	1,413,358
Total liabilities	<u>1,233,637</u>	<u>916,425</u>	<u>2,150,062</u>
Deferred Inflows of Resources			
Leases	39,179		39,179
Pension related	182,192	35,760	217,952
Total Deferred Inflows of Resources	<u>221,371</u>	<u>35,760</u>	<u>257,131</u>
Net Position			
Net investment in capital assets	8,457,960	5,827,949	14,285,909
Restricted for:			
Public works	5,135,734		5,135,734
Unrestricted	1,892,233	4,082,973	5,975,206
Total net position	<u>\$ 15,485,927</u>	<u>\$ 9,910,922</u>	<u>\$ 25,396,849</u>

The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Statement of Activities
For the Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Functions / Programs:</u>							
Governmental Activities							
General government	\$ 649,388	\$ 298,780	\$	\$ 20,263	\$ (330,345)	\$	\$ (330,345)
Public safety	1,127,020	52,620		77,766	(996,634)		(996,634)
Public works	544,852				(544,852)		(544,852)
Parks and recreation	18,818		234,331		215,513		215,513
Total governmental activities	2,340,078	351,400	234,331	98,029	(1,656,318)		(1,656,318)
Business-type Activities							
Water, sewer, and sanitation	3,420,079	2,563,249	795,171	68,436		6,777	6,777
Total business-type activities	3,420,079	2,563,249	795,171	68,436		6,777	6,777
Total Government	<u>\$ 5,760,157</u>	<u>\$ 2,914,649</u>	<u>\$ 1,029,502</u>	<u>\$ 166,465</u>	<u>(1,656,318)</u>	<u>6,777</u>	<u>(1,649,541)</u>
		General revenues:					
		Ad valorem taxes			209,600		209,600
		Sales taxes			1,922,762	478,455	2,401,217
		Franchise taxes			66,549		66,549
		Gaming taxes			113,516		113,516
		Investment earnings			108,546	59,296	167,842
		Miscellaneous			28,857		28,857
		Transfers			15,767	(15,767)	
		Total general revenues			2,465,597	521,984	2,987,581
		Change in net position			809,279	528,761	1,338,040
		Net position - beginning, restated			14,676,648	9,382,161	24,058,809
		Net position - ending			<u>\$ 15,485,927</u>	<u>\$ 9,910,922</u>	<u>\$ 25,396,849</u>

The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Balance Sheet
Governmental Funds
December 31, 2024

	General	Sales Tax Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,815,820	\$ 5,046,134	\$ 7,861,954
Receivables	252,434	89,600	342,034
Total assets	<u><u>\$ 3,068,254</u></u>	<u><u>\$ 5,135,734</u></u>	<u><u>\$ 8,203,988</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	\$ 54,731	\$	\$ 54,731
Due to other funds	45,505		45,505
Total liabilities	<u>100,236</u>		<u>100,236</u>
Deferred Inflows of Resources			
Leases	39,179		39,179
Total deferred inflows of resources	<u>39,179</u>		<u>39,179</u>
Fund Balances			
Restricted - public works		5,135,734	5,135,734
Unassigned	2,928,839		2,928,839
Total fund balances	<u>2,928,839</u>	<u>5,135,734</u>	<u>8,064,573</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,068,254</u></u>	<u><u>\$ 5,135,734</u></u>	<u><u>\$ 8,203,988</u></u>

The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2024

Fund balances - total governmental funds	\$ 8,064,573
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	8,500,295
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	44,640
Other long-term assets and other amounts are not available to pay for current-period expenditures and therefore are unavailable in the funds.	
Deferred outflows - pension related	237,517
Long-term liabilities and other amounts, including compensated absences payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.	
Net pension liability	(1,095,591)
Lease liability	(17,891)
Compensated absences	(65,424)
Deferred inflows - pension related	(182,192)
Net position of governmental activities	<u>\$ 15,485,927</u>

The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Sales Tax Fund	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 209,600	\$	\$ 209,600
Sales tax	962,535	960,227	1,922,762
Franchise taxes	66,549		66,549
Gaming taxes	113,516		113,516
Intergovernmental	236,452	62,080	298,532
Licenses and permits	298,780		298,780
Fines and forfeitures	52,620		52,620
Investment earnings	40,549	67,997	108,546
Miscellaneous	28,857		28,857
Total revenues	<u>2,009,458</u>	<u>1,090,304</u>	<u>3,099,762</u>
Expenditures:			
Current:			
General government	611,504		611,504
Public safety	966,230		966,230
Public works	200,277		200,277
Parks and recreation	18,819		18,819
Capital outlay	796,766		796,766
Total expenditures	<u>2,593,596</u>		<u>2,593,596</u>
Excess (deficiency) of revenues over (under) expenditures	(584,138)	1,090,304	506,166
Other financing sources (uses):			
Transfers in	769,029		769,029
Transfers out		(753,262)	(753,262)
Total other financing sources (uses)	<u>769,029</u>	<u>(753,262)</u>	<u>15,767</u>
Net change in fund balances	184,891	337,042	521,933
Fund balances at beginning of year, restated	<u>2,743,948</u>	<u>4,798,692</u>	<u>7,542,640</u>
Fund balances at end of year	<u>\$ 2,928,839</u>	<u>\$ 5,135,734</u>	<u>\$ 8,064,573</u>

The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024

Net change in fund balances - total governmental funds	\$	521,933
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$796,766) exceeded depreciation/ amortization (\$458,087) in the current period.		338,679
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The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.		12,283
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Non-employer contributions to cost-sharing pension plan		33,828

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
Lease payments		6,428
Compensated absences		(1,118)
Pension expense		(102,754)

Change in net position of governmental activities	\$	809,279
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The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Statement of Net Position
Proprietary Fund
December 31, 2024

	Business-Type Activities- Enterprise Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 3,845,012
Receivables	482,290
Prepaid expenses	44,756
Due from other funds	45,505
Restricted cash and cash equivalents	223,350
Total current assets	<u>4,640,913</u>
Noncurrent assets:	
Capital assets:	
Land	29,500
Construction in progress	830,231
Plant and equipment	12,402,690
Lease assets	7,362
Less: accumulated depreciation/amortization	<u>(7,228,525)</u>
Total noncurrent assets	<u>6,041,258</u>
Total assets	<u>10,682,171</u>
Deferred outflows of resources - pension related	<u>180,936</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	430,828
Lease liability	1,395
Payable from restricted assets:	
Customer deposits	223,350
Total current liabilities	<u>655,573</u>
Noncurrent liabilities:	
Lease liability	4,822
Net pension liability	256,030
Total noncurrent liabilities	<u>260,852</u>
Total liabilities	<u>916,425</u>
Deferred inflows of resources - pension related	<u>35,760</u>
Net position	
Net investment in capital assets	5,827,949
Unrestricted	4,082,973
Total net position	<u><u>\$ 9,910,922</u></u>

The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2024

	Business-Type Activities- Enterprise Fund
Operating revenues:	
Charges for service -	
Water sales	\$ 1,668,714
Sewerage service charges	554,786
Solid waste collection	218,356
Other charges and fees	121,393
Total operating revenues	<u>2,563,249</u>
Operating expenses:	
Salaries	534,735
Payroll taxes and benefits	149,664
Office expense	39,608
Insurance	109,993
Professional fees	92,258
Travel	1,395
Repairs and maintenance	739,302
Telephone	6,537
Utilities	94,639
Vehicle operations	23,843
Commerical solid waste	192,869
Miscellaneous	6,053
Supplies	40,189
Water purchases	930,301
Depreciation/amortization	458,693
Total operating expenses	<u>3,420,079</u>
Operating loss	<u>(856,830)</u>
Non-operating revenues:	
Interest income	59,296
Operating grants and contributions	14,909
Intergovernmental grants	53,527
Sales taxes	478,455
Total non-operating revenues	<u>606,187</u>
Income before transfers and contributions	(250,643)
Capital contributions	795,171
Transfers in	(15,767)
Total other financing sources	<u>779,404</u>
Change in net position	528,761
Net position - beginning of year, restated	<u>9,382,161</u>
Net position - end of year	<u><u>\$ 9,910,922</u></u>

The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2024

	Business-Type Activities- Enterprise Fund
Cash Flows From Operating Activities	
Receipts from customers	\$ 2,534,990
Cash payments to suppliers for goods and services	(2,607,025)
Cash payments to employees for services	(728,530)
Net Cash (Used In) Operating Activities	<u>(800,565)</u>
Cash Flows From Non-Capital Financing Activities	
Sales tax	474,929
Intergovernmental grants	428,387
Transfers from other funds	(15,767)
Interfund loans	(103)
Net Cash From Non-Capital Financing Activities	<u>887,446</u>
Cash Flows From Investing Activities	
Sale of investments	1,041,860
Interest income	59,296
Net Cash From Investing Activities	<u>1,101,156</u>
Cash Flows From Capital and Related Financing Activities	
Payments for property and equipment	(781,247)
Net Cash (Used In) Capital and Related Financing Activities	<u>(781,247)</u>
Net increase in cash, cash equivalents, and restricted cash	406,790
Cash, cash equivalents, and restricted cash, beginning of year	<u>3,661,572</u>
Cash, cash equivalents, and restricted cash, end of year	<u><u>\$ 4,068,362</u></u>
Cash and cash equivalents are reflected on the Statement of Net Position as follows:	
Cash and cash equivalents	\$ 3,845,012
Restricted cash and cash equivalents	223,350
	<u><u>\$ 4,068,362</u></u>
Reconciliation of Operating Income to Net Cash Used	
By Operating Activities:	
Operating income (loss)	\$ (856,830)
Adjustments to reconcile operating loss to net cash	
provided (used) by operating activities:	
Depreciation/amortization expense	458,693
Accounts receivable	(25,824)
Accounts payable	(316,749)
Accrued expenses	40,645
Prepaid expenses	(13,289)
Pension related	(84,776)
Customer deposits	(2,435)
Net Cash Flows From Operating Activities	<u><u>\$ (800,565)</u></u>
Non-cash investing and financing transaction:	
Acquisition of property	
Cost of property and equipment	\$ 995,701
Lease proceeds	(7,362)
Trade accounts payable	(207,092)
Cash down payment for property and equipment	<u><u>\$ 781,247</u></u>

The accompanying notes are an integral part of this statement.

Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024

INTRODUCTION

The Town of Benton is incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor–Board of Aldermen form of government.

(1) Summary of Significant Accounting Policies

The Town of Benton's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town of Benton are discussed below.

A. Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Benton is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town of Benton), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the Town of Benton are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Town of Benton for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Town to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

In addition, the GASB states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

(Continued)

Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

As required by generally accepted accounting principles, these financial statements present the Town of Benton and its component unit. The component unit included in the accompanying financial statements is blended with the Town's funds.

Blended Component Unit

Component units that are legally separate from the Town but are so intertwined with the Town that they are, in substance, the same as the Town are blended component units. For a component unit to be blended, the organization's board and the Town must be substantively the same, or the organization must provide services entirely or almost entirely to the Town. The following component unit is reported as part of the Town and blended with the appropriate Town funds:

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 Bossier Parish Police Jury. The Metropolitan Planning Commission consists of five members with two appointed by the Town of Benton, two appointed by 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.

B. Basic Financial Statements – Government-Wide Statements

The Town of Benton's basic financial statements include both government-wide (reporting the funds maintained by the Town of Benton as a whole) and fund financial statements (reporting the Town of Benton's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's sales tax-streets fund and general fund are classified as governmental activities. The Town's water, sewer, and sanitation services are classified as business-type activities.

(Continued)

Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

In the government-wide Statement of Net Position, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Town of Benton's net position is reported in three parts – invested in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town of Benton's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, including non-employer contributions to cost-sharing pension plans, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations of providing water, sewer, and sanitation services. All revenues and expenses not meeting this definition are classified as non-operating revenues and expenses.

The net costs (by function) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Town of Benton as an entity and the change in the Town of Benton's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town of Benton are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows or resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town of Benton:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town of Benton:
 - a. General fund is the general operating fund of the Town of Benton. It is used to account for all financial resources not accounted for and reported in another fund.

(Continued)

Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

- b. Sales tax fund is the special revenue fund of the Town of Benton. The special revenue fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes.
- 2. Proprietary Funds – the focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Town:
 - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources not accounted for and reported in another fund.

Sales Tax – Streets Fund – accounts for the proceeds of sales taxes levied for debt service requirements and street and drainage improvements.

Enterprise Fund – accounts for the provision of water, sewer, and sanitation services of the Town.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Budget and Budgetary Accounting

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 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 after publication of the call for the hearing.
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. Budgetary amendments involving the transfer of funds from one department, program or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget is adopted on a cash basis for all funds. Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Aldermen.

F. Cash and Cash Equivalents

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

(Continued)

Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	10–54 years
Infrastructure	40 years
Furniture and equipment	5–20 years
Vehicles	5–10 years
Water and sewer systems	5–50 years

GASB requires the Town to report and depreciate new infrastructure assets effective January 1, 2004. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

H. Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on December 31. Revenues from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes, using the assessed values determined by the tax assessor of Bossier Parish. Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Town is entitled to the funds.

I. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Restricted net position consists of assets that are restricted by limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted net position. When an

(Continued)

Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

J. Sales Taxes

The General Fund and Special Revenue Fund account 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 a 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.

A one cent sales tax is levied by the Town, to be deposited into a special fund (Sales Tax Fund) and dedicated and used for the purposes of opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks, and bridges; constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, waterworks, sewers and sewerage disposal works, garbage collection and waste disposal facilities, police department stations and equipment, including fire engines, public parks and recreational facilities, and industrial development facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements, and facilities.

An additional one cent sales tax is levied by the Town, to be used for any lawful public purpose of the Town.

A half cent sales tax is also levied by the Town for the purpose of paying for improvements to and the upkeep of the Sewer System within the Town.

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 a collection fee of 1% of the sales tax collected for these services.

K. Compensated Absences

The Town accrues annual leave benefits as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the Town will compensate the employees for the benefits through paid time off or some other means.

The Town provides sick leave benefits based on time worked. Employees may carry over unused sick leave, and while the Town does not compensate employees for unused sick leave upon separation from employment, it is more likely than not that employees will use their accrued sick leave during employment. In accordance with GASB Statement No. 101, the Town has recorded a liability for compensated absences related to expected future use of sick leave.

(Continued)

Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

L. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

M. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the Statement of Net Position.

O. Bad Debts

Uncollectible amounts due for ad valorem taxes, customer's utility receivables, and special assessments are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Accounts receivable for the general fund and enterprise fund are shown net of an allowance of \$11,516 and \$53,181, respectively.

P. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Q. Postretirement Benefits

The Town provides no postretirement benefits to its employees.

R. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

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Town of Benton
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Notes to Financial Statements
December 31, 2024
(Continued)

2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

3. Committed – amounts that can be used only for the specific purpose as a result of constraints imposed by the Town Council (the Town's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type of action (i.e. legislation, resolution, or ordinance).

4. Assigned – amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.

5. Unassigned – all amounts not included in other spendable classifications.

The Town's policy is to apply expenditures against restricted fund balance and then to other, less-restricted classifications – committed and then assigned fund balances before using unassigned fund balances.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as assigned fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

S. Deferred Inflows / Outflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element *deferred inflows of resources* represents an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that meet this definition and qualify for reporting in this category. Accordingly, the items pension-related and leases are reported in the Statement of Net Position, and leases are reported in the balance sheet for governmental funds.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has one type of item that meets this definition and qualifies for reporting in this category. Accordingly, the item pension-related is reported in the Statement of Net Position.

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Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

T. Pension Plan

The Town is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plans as described in Note 15. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plans fiduciary net position, have been determined on the same basis as they are reported by the plan.

(2) Levied Taxes

Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. State law requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31.

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General	7.32	6.50	N/A
Streets	4.90	4.35	2025

Approximately 25% of the Town's ad valorem tax revenues are derived from 10 taxpayers.

(3) Cash, and Cash Equivalents

At December 31, 2024, the Town has cash, and cash equivalents (book balances) totaling \$11,930,316 as detailed below:

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2024 (book balances) totaled \$11,930,316 of which \$223,350 is shown as a restricted asset. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

B. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2024, \$7,301,167 of the Town's bank balance of \$11,982,326 was exposed to custodial credit risk as follows:

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Notes to Financial Statements
December 31, 2024
(Continued)

Uninsured and collateral held by the
pledging bank's trust department, not
in the Town's name:

Cash and cash equivalents	<u>\$ 7,301,167</u>
---------------------------	---------------------

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

(4) Supplemental Pay

The Town received a total of \$48,620 in police supplemental pay from the State of Louisiana. The Town recognizes this supplemental pay as revenues and expenditures of the Town. The revenue is reported in the General Fund under intergovernmental revenues and the expenditure is reported as public safety expenditures.

(5) Adoption of New Accounting Standard – GASB Statement No. 101

During the year ended December 31, 2024, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This Statement provides recognition and measurement guidance for all types of compensated absences, including sick leave and vacation leave. GASB 101 requires that compensated absences be recognized as a liability when the sick leave is more likely than not to be used as paid leave.

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Notes to Financial Statements
December 31, 2024
(Continued)

(6) Receivables

The following is a summary of receivables at December 31, 2024:

<u>Class of Receivable</u>	
Governmental activities –	
Ad valorem taxes	\$ 79,900
Sales taxes	179,200
Franchise taxes	25,071
Gaming taxes	10,624
Leases	39,179
Grants	6,570
Miscellaneous	<u>1,490</u>
	<u>342,034</u>
Business-type activities –	
Water and sewer charges	321,038
Grants	116,452
Sales taxes	<u>44,800</u>
	<u>482,290</u>
Total	<u>\$ 824,324</u>

(7) Deferred Inflows and Deferred Outflows of Resources

The Statement of Net Position reports deferred inflows of resources at December 31, 2024, consisting of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Pension related - MERS	\$ 126,248	\$ 35,760	\$ 162,008
Pension related - MPERS	55,944		55,944
Leases	<u>39,179</u>		<u>39,179</u>
	<u>\$ 221,371</u>	<u>\$ 35,760</u>	<u>\$ 257,131</u>

The Statement of Net Position reports deferred outflows of resources at December 31, 2024, consisting of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Pension related - MERS	\$ 20,704	\$ 180,936	\$ 201,640
Pension related - MPERS	<u>216,813</u>		<u>216,813</u>
	<u>\$ 237,517</u>	<u>\$ 180,936</u>	<u>\$ 418,453</u>

Information about each retirement plan is detailed in Note 15.

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Notes to Financial Statements
December 31, 2024
(Continued)

(8) Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance at Jan. 1, 2024	Additions	Deletions	Transfers	Balance at Dec. 31, 2024
<u>Governmental Activities:</u>					
Capital assets, not being depreciated:					
Construction in progress	\$ 266,060	\$	\$	\$ (250,810)	\$ 15,250
Land	209,775				209,775
Total capital assets, not being depreciated	475,835			(250,810)	225,025
Capital assets, being depreciated:					
Buildings	907,067	18,981			926,048
Infrastructure	9,180,261	735,823		250,810	10,166,894
Equipment	865,114	41,962	(26,124)		880,952
Vehicles	709,373				709,373
Total capital assets, being depreciated, at historical cost	11,661,815	796,766	(26,124)	250,810	12,683,267
Less accumulated depreciation:					
Buildings	(740,999)	(23,285)			(764,284)
Infrastructure	(2,249,423)	(344,575)			(2,593,998)
Equipment	(544,906)	(44,132)	26,124		(562,914)
Vehicles	(464,649)	(39,455)			(504,104)
Total accumulated depreciation	(3,999,977)	(451,447)	26,124		(4,425,300)
Leased assets					
Equipment	33,199				33,199
Total leased assets, being amortized	33,199				33,199
Less accumulated amortization for:					
Leased equipment	(9,256)	(6,640)			(15,896)
Total accumulated amortization, leased equipment	(9,256)	(6,640)			(15,896)
Total capital assets, being depreciated/amortized, net	7,685,781	338,679		250,810	8,275,270
Governmental activities capital assets, net	<u>\$ 8,161,616</u>	<u>\$ 338,679</u>	<u>\$</u>	<u>\$</u>	<u>\$ 8,500,295</u>

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Town of Benton
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Notes to Financial Statements
December 31, 2024
(Continued)

	Balance at Jan. 1, 2024	Additions	Deletions	Balance at Dec. 31, 2024
<u>Business-Type Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 29,500	\$	\$	\$ 29,500
Construction in progress	167,791	662,440		830,231
Total capital assets, not being depreciated, at historical cost	197,291	662,440		859,731
Capital assets, being depreciated:				
Vehicles	163,051	140,283		303,334
Sewer system	3,842,576	185,616		4,028,192
Sewer equipment	4,266,577			4,266,577
Water equipment	3,711,417			3,711,417
Other equipment	93,170			93,170
Total capital assets, being depreciated, at historical cost	12,076,791	325,899		12,402,690
Less accumulated depreciation:				
Vehicles	(163,051)	(9,353)		(172,404)
Sewer system	(3,290,056)	(259,314)		(3,549,370)
Sewer equipment	(1,285,800)	(70,340)		(1,356,140)
Water equipment	(1,998,286)	(114,354)		(2,112,640)
Other equipment	(32,895)	(3,849)		(36,744)
Total accumulated depreciation	(6,770,088)	(457,210)		(7,227,298)
Leased assets				
Equipment	7,678	7,362	(7,678)	7,362
Total leased assets, being amortized	7,678	7,362	(7,678)	7,362
Less accumulated amortization for:				
Leased equipment	(7,422)	(1,483)	7,678	(1,227)
Total accumulated amortization, leased equipment	(7,422)	(1,483)	7,678	(1,227)
Total capital assets, being depreciated, net	5,306,959	(125,432)		5,181,527
Business-type activities capital assets, net	<u>\$ 5,504,250</u>	<u>\$ 537,008</u>	<u>\$</u>	<u>\$ 6,041,258</u>

Depreciation/amotization expense was charged to Governmental and Business-type Activities as follows:

	Governmental Activities	Business-type Activities
General government	\$ 69,149	\$
Public safety	44,363	
Public works	344,575	
Water, sewer, and sanitation		458,693
Total	<u>\$ 458,087</u>	<u>\$ 458,693</u>

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Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

(9) Restricted Assets – Proprietary Fund Type

Restricted assets consisted of customer deposits in the amount of \$223,350.

(10) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2024, consisted of the following:

<u>Class of Payable</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 35,472	\$ 365,406	\$ 400,878
Accrued annual leave	2,134	20,271	22,405
Accrued sick leave	3,583	33,886	37,469
Accrued payroll	9,487	7,484	16,971
Payroll liabilities	3,418		3,418
Other	637	3,781	4,418
Total	<u>\$ 54,731</u>	<u>\$ 430,828</u>	<u>\$ 485,559</u>

(11) Customers' Deposits

Deposits held for customers that are currently active on the water system total \$223,350 at December 31, 2024.

(12) Interfund Transfers

Interfund transfers for the year ended December 31, 2024 consisted of the following:

	<u>Transfer To</u>	<u>Transfer From</u>	<u>Net</u>
Governmental Funds:			
General fund	\$ 769,029	\$	\$ 769,029
Sales Tax - Streets		(753,262)	(753,262)
Total Governmental funds	769,029	(753,262)	15,767
Enterprise Funds:			
Water and Sewer		(15,767)	(15,767)
	<u>\$ 769,029</u>	<u>\$(769,029)</u>	<u>\$</u>

Transfers are used to move revenues from the fund that the statute or budget requires to collect them to the fund that statute or budget requires to expend them.

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Notes to Financial Statements
December 31, 2024
(Continued)

(13) Long - Term Liabilities

Long - term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Other long-term liabilities					
Net pension liability - MERS	\$ 92,182	\$	\$ (11,768)	\$ 80,414	\$
Net pension liability - MPERS	1,109,163		(93,986)	1,015,177	
Leased assets	24,319		(6,428)	17,891	6,686
Accrued annual leave	16,071		(880)	15,191	15,193
Accrued sick leave	53,138	2,812		55,950	10,238
Total - Governmental Activities					
Long-term liabilities	<u>\$1,294,873</u>	<u>\$ 2,812</u>	<u>\$ (113,062)</u>	1,184,623	32,117
Less amounts due within period of availability - Recorded in accounts payable				<u>(5,717)</u>	<u>(5,717)</u>
Total long-term liabilities - governmental activities - Government - wide statements				<u>\$ 1,178,906</u>	<u>\$ 26,400</u>
Business - type Activities:					
Long - term liabilities					
Net pension liability - MERS	\$ 293,501	\$	\$ (37,471)	\$ 256,030	\$
Leased assets	264	7,362	(1,409)	6,217	1,395
Accrued annual leave	15,507	4,764		20,271	20,271
Accrued sick leave	31,612	2,274		33,886	33,886
Total - Business - type Activities					
Long - term liabilities	<u>\$ 340,884</u>	<u>\$ 14,400</u>	<u>\$ (38,880)</u>	316,404	55,552
Less amounts due within period of availability - Recorded in accounts payable				<u>(54,157)</u>	<u>(54,157)</u>
Total long - term liabilities - business - type activities - Government - wide statements				<u>\$ 262,247</u>	<u>\$ 1,395</u>

Information about each retirement plan is detailed in Note 15. The change in compensated absences liability is reported as a net change.

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Notes to Financial Statements
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(Continued)

Leased Assets

The Town entered into lease agreements to lease certain equipment. The equipment is included in governmental activities capital assets at a cost of \$33,199, with accumulated amortization totaling \$15,896, and business-type capital assets at a cost of \$7,362, with accumulated amortization totaling \$1,227, as of December 31, 2024. Interest has been imputed at rates ranging from 1.37% to 4.17%, and the Town will make monthly payments through 2029. The following lease payments under lease agreements are as follows:

<u>Fiscal Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,686	\$ 617	\$ 7,303
2026	6,498	350	6,848
2027	4,707	86	4,793
	<u>\$ 17,891</u>	<u>\$ 1,053</u>	<u>\$ 18,944</u>

Business-Type Activities:

<u>Fiscal Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,395	\$ 233	\$ 1,628
2026	1,455	173	1,628
2027	1,516	112	1,628
2028	1,581	47	1,628
2029	270	1	271
	<u>\$ 6,217</u>	<u>\$ 566</u>	<u>\$ 6,783</u>

(14) Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

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Notes to Financial Statements
December 31, 2024
(Continued)

(15) Pension Plans

Employees of the Town are members of the Municipal Employees Retirement System or Municipal Police Employees Retirement System (police department employees).

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

Plan Description

The Municipal Employees' Retirement System of Louisiana is the administrator of a cost-sharing, multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. Employees of the Town are members of Plan B.

Eligibility Requirements:

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes. Any person eligible for membership but whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2.

Retirement Benefits:

The following brief description of the plan and its benefits is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan B who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Any age with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.

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Notes to Financial Statements
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Eligibility for retirement for Plan B Tier 2 for members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven (7) or more years of creditable service
2. Age 62 with ten (10) or more years of creditable service
3. Age 55 with thirty (30) or more years of creditable service
4. Any age with twenty five (25) years of creditable service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in service to that age. Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes. Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

DROP Benefits:

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service; in which he would receive a regular retirement under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or an amount equal to two percent of the member's final

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Town of Benton
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Notes to Financial Statements
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average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

Cost of Living Increases:

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits:

Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. Member contributions are at 5% of earnable compensation. For the plan year ending June 30, 2024, the actual employer contribution rate was 15.50% for Plan B. The Town's contributions to the System for the years ended December 31, 2024, 2023, and 2022 were \$79,315, \$68,686, and \$67,374, respectively. Included in contributions for the year ended December 31, 2024, were contributions for the month of December 2024, totaling \$5,911, which were paid in 2025.

Non-Employer Contributions

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions totaling \$19,591 are recognized as revenue during the year ended December 31, 2024 and excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Town reported a liability of \$336,444 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Municipal Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts. The allocation method used in determining each employer's proportion was based on each employer's contributions to the System during the fiscal year ended June 30, 2024 as compared to the total of all employers' contributions received by the System during the fiscal year ended June 30, 2024. The Town's proportion as measured at June 30, 2024, was .554480%, which was an increase of .07350% from its proportion measured as of June 30, 2023.

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December 31, 2024
(Continued)

For the year ended December 31, 2024, the Town recognized pension expense of \$29,279, less employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, (\$4,783).

At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities
Differences between expected and actual experience	\$ 661	\$ 2,093
Changes of assumptions	3,006	9,518
Changes in proportion and differences between employer contributions and proportionate share of contributions	122,581	24,149
Total	<u>\$ 126,248</u>	<u>\$ 35,760</u>

	Deferred Outflows of Resources	
	Governmental Activities	Business-type Activities
Differences between expected and actual experience	\$ 767	\$ 2,428
Net difference between projected and actual earnings on pension plan investments	2,907	9,204
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,988	140,669
Employer contributions subsequent to the measurement date	9,042	28,635
Total	<u>\$ 20,704</u>	<u>\$ 180,936</u>

The Town reported a total of \$37,677 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended December 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year	Amount
2025	\$ (19,720)
2026	39,303
2027	(10,036)
2028	(7,592)
Total	<u>\$ 1,955</u>

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Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 are as follows:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.85%, net of pension plan investment expense
Inflation Rate	2.5%
Salary increases, including inflation and merit increases:	
1 to 2 years of service	9.5% plan B
More than 2 years of service	4.6% plan B
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Healthy Retiree table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree table set equal to 120% for males and females with full generational MP2018 scale.
Expected Remaining Service Lives	3 years

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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Notes to Financial Statements
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Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024 are summarized in the following table:

	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	56%	2.44%
Public fixed income	29%	1.26%
Alternatives	15%	.65%
Totals	<u>100%</u>	4.35%
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>6.85%</u>

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.85% or one percentage point higher 7.85% than the current rate as of June 30, 2024:

	Changes in Discount Rate		
	1% Decrease <u>5.85%</u>	Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Net Pension Liability	\$ 522,420	\$ 336,444	\$ 179,263

Changes in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2024 were recognized in the current reporting period except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension benefit using the straight-line amortization method over a closed period equal to the average of

(Continued)

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Notes to Financial Statements
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the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion:

Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Pension Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 2024. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

The Municipal Police Employees' Retirement System (System) is a cost-sharing multiple-employer defined benefit plan administered by a separate board of trustees. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana, 70809.

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Notes to Financial Statements
December 31, 2024
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Plan Description

Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200.00 per month, whichever is greater.

Membership Commencing January 1, 2013

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

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Town of Benton
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Notes to Financial Statements
December 31, 2024
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Cost of Living Adjustments

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2024, total contributions due from employers and employees was 43.925%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 33.925% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 33.92% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 36.425% and 7.5%, respectively. The Town contributions to the System for the years ended

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Notes to Financial Statements
December 31, 2024
(Continued)

December 31, 2024, 2023, and 2022 were \$128,952, \$124,488, and \$104,013, respectively. Included in contributions for the year ended December 31, 2024 were contributions for the month of December 2024 totaling \$6,934, which were paid in 2025.

Non-Employer Contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions totaling \$29,146 are recognized as revenue during the year ended December 31, 2024 and excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Town reported a liability of \$1,015,177 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the employer's contributions to the System during the year ended June 30, 2024, as compared to the total of all employers' contributions to the System for the year ended June 30, 2024. At June 30, 2024, the Town's proportion was .112050%, which was a increase of .007066% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Town recognized pension expense of \$235,312, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$9,497.

At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 54,964	\$ 30,709
Net difference between projected and actual earnings on pension plan investments	28,221	
Changes in proportion and differences between employer contributions and proportionate share of contributions	80,842	25,235
Employer contributions subsequent to the measurement date	52,786	
Total	<u>\$ 216,813</u>	<u>\$ 55,944</u>

The Town reported a total of \$52,786 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended December 31, 2025.

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Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 44,015
2026	102,463
2027	(19,348)
2028	(19,047)
Total	<u>\$ 108,083</u>

Actuarial Methods and Assumptions

The actuarial assumptions used in the June 30, 2024 valuation were based on the assumptions used in the June 30, 2024 actuarial funding valuation, and were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 are as follows:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.750%, net of investment expense
Expected Remaining Service	
Lives	4 years
Inflation Rate	2.5%

	<u>Years of Service</u>	<u>Salary Growth Rate</u>
Salary increases, including inflation and merit	1 – 2	12.30%
	Above 2	4.70%

Mortality For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

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Town of Benton
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Notes to Financial Statements
December 31, 2024
(Continued)

Cost-of-Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study for the period of July 1, 2014 through June 30, 2019. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	52.00%	3.14%
Fixed income	34.00%	1.07%
Alternatives	<u>14.00%</u>	<u>1.03%</u>
Totals	<u>100%</u>	<u>5.24%</u>
Inflation		<u>2.62%</u>
Expected Arithmetic Nominal Return		<u>7.86%</u>

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate as of June 30, 2024.

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Net Pension Liability	\$1,508,021	\$1,015,177	\$ 603,749

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Notes to Financial Statements
December 31, 2024
(Continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2024 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes of Assumptions or Other Inputs:

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Pension Plans Fiduciary Net Positions

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated mounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 2024. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

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Town of Benton
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Notes to Financial Statements
December 31, 2024
(Continued)

(16) Interfund Balances

Interfund balances at December 31, 2024 consisted of the following:

	<u>Due From Other Fund</u>	<u>Due To Other Fund</u>	<u>Net</u>
Governmental Funds:			
General Fund	\$ _____	\$(45,505)	\$(45,505)
Total Governmental Funds	<u>_____</u>	<u>(45,505)</u>	<u>(45,505)</u>
Enterprise Funds:			
Enterprise Fund	<u>45,505</u>	<u>_____</u>	<u>45,505</u>
Total Enterprise Funds	<u>45,505</u>	<u>_____</u>	<u>45,505</u>
Total	<u>\$ 45,505</u>	<u>\$(45,505)</u>	<u>\$ _____</u>

The interfund balances are the results of the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

(17) Leases

The Town, as a lessor, has entered into two lease agreements involving real estate and facilities owned by the Town. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the year ended December 31, 2024 was \$7,500.

The future inflow of resources for the years subsequent to December 31, 2024, under existing lease agreements are as follows:

<u>Fiscal Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,980	\$ 1,520	\$ 7,500
2026	6,212	1,288	7,500
2027	6,453	1,047	7,500
2028	6,703	797	7,500
2029	6,964	536	7,500
2030-2034	1,195	1,545	2,740
2035-2039	1,526	974	2,500
2040-2044	1,847	653	2,500
2045-2049	2,299	268	2,567
	<u>\$ 39,179</u>	<u>\$ 8,628</u>	<u>\$ 47,807</u>

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Town of Benton
Benton, Louisiana
Notes to Financial Statements
December 31, 2024
(Continued)

(18) Prior Period Restatement

Net position / fund balance at December 31, 2023, were restated to correct the recognition of compensated absences liability as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Total Fund Balance/Net Position, December 31, 2023 as previously reported	\$ 2,745,353	\$ 14,729,498	\$ 9,413,773
Compensated absences - sick leave	<u>(1,405)</u>	<u>(52,850)</u>	<u>(31,612)</u>
Total Fund Balance/Net Position, as restated	<u>\$ 2,743,948</u>	<u>\$ 14,676,648</u>	<u>\$ 9,382,161</u>

As a result of implementing GASB 101, Compensated Absences, the beginning fund balance and net position of the governmental activities and business-type activities was restated to reflect the cumulative effect of applying this new standard.

(19) Commitments

As of December 31, 2024, the Town of Benton has commitments for signed construction, engineering, and other contracts of approximately \$318,000. As of December 31, 2024, approximately \$75,659 had been incurred on those contracts, and the balance remaining in those contracts was approximately \$242,341, which will be incurred subsequent to December 31, 2024.

The Town has commitments for signed engineering and construction contracts of approximately \$902,060, related to the wastewater collection improvement project. As of December 31, 2024, approximately \$663,932 had been incurred on those contracts, with the balance remaining in those contracts to be incurred subsequent to December 31, 2024. A portion of the funding for this project is to be provided by a grant in the amount of up to \$730,000, through the Louisiana Community Development Block Grant Program.

The Town has commitments for signed engineering and construction contracts of approximately \$306,725, related to the Splash Pad project. As of December 31, 2024, approximately \$297,900 had been incurred on those contracts, with the balance remaining in those contracts to be incurred subsequent to December 31, 2024. A portion of the funding for this project is to be provided by a grant in the amount of up to \$225,000, through the Louisiana Community Development Block Grant Program.

The Town has a commitment a for signed engineering contract of approximately \$676,400, related to the wastewater collection improvement project. As of December 31, 2024, approximately \$90,640 had been incurred on this contract, with the balance remaining on this contract to be incurred subsequent to December 31, 2024. A portion of the funding for this project is expected to be provided by a grant in the amount of up to \$5,346,400, through the Water Sector Phase 2 program.

(20) Subsequent events

Subsequent events have been evaluated through June 23, 2025, the date the financial statements were available to be issued.

Town of Benton
Benton, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Ad valorem taxes	\$ 210,000	\$ 228,505	\$ 165,480	\$ (63,025)
Sales tax	800,000	862,665	955,483	92,818
Franchise taxes	60,000	68,000	66,825	(1,175)
Gaming taxes	106,224	110,470	110,986	516
Intergovernmental	420,776	368,045	207,367	(160,678)
Licenses and permits	247,100	280,186	298,759	18,573
Fines and forfeitures	60,000	40,000	52,620	12,620
Investment earnings	5,150	22,854	40,549	17,695
Miscellaneous	30,350	45,625	28,857	(16,768)
Total revenues	1,939,600	2,026,350	1,926,926	(99,424)
Expenditures:				
Current:				
General government	562,271	533,314	612,820	(79,506)
Public safety	892,130	1,081,465	1,043,712	37,753
Public works	725,925	772,020	202,047	569,973
Parks and recreation			18,389	(18,389)
Capital outlay	520,786	128,240	810,486	(682,246)
Total expenditures	2,701,112	2,515,039	2,687,454	(172,415)
Excess (deficiency) of revenues over (under) expenditures	(761,512)	(488,689)	(760,528)	(271,839)
Other financing sources:				
Transfers in	810,592	748,563	769,029	20,466
Total other financing sources	810,592	748,563	769,029	20,466
Excess of revenues and other sources over expenditures and other uses	49,080	259,874	8,501	(251,373)
Fund balances at beginning of year	2,386,658	2,745,353	2,415,335	(330,018)
Fund balances at end of year	\$ 2,435,738	\$ 3,005,227	\$ 2,423,836	\$ (581,391)

Town of Benton
Benton, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
Sales Tax Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Sales tax	\$ 827,000	\$ 955,243	\$ 953,175	\$ (2,068)
Intergovernmental			62,080	62,080
Investment earnings	1,200	28,820	67,997	39,177
Total revenues	828,200	984,063	1,083,252	99,189
Other financing sources (uses):				
Transfers out	(810,592)	(748,563)	(753,262)	(4,699)
Total other financing sources (uses)	(810,592)	(748,563)	(753,262)	(4,699)
Excess (deficiency) of revenues and other sources over expenditures and other uses	17,608	235,500	329,990	94,490
Fund balances at beginning of year	4,798,692	4,798,692	4,716,144	(82,548)
Fund balances at end of year	\$ 4,816,300	\$ 5,034,192	\$ 5,046,134	11,942

Town of Benton
Benton, Louisiana
Note to Required Supplementary Information
For The Year Ended December 31, 2024

The Town's budget is adopted on a cash basis for all funds, with the exception of ad valorem taxes which are recorded when levied. There was one amendment to the 2024 budget. Budget comparison statements included in the accompanying financial statements include the original and adopted budgets and all amendments. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>	<u>Sales Tax Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ 8,501	\$ 329,990
Adjustments:		
Revenue accruals – net	82,532	7,052
Expenditure accruals – net	<u>93,858</u>	<u> </u>
Excess of revenues and other sources over expenditures and other uses (GAAP) basis	<u>\$ 184,891</u>	<u>\$ 337,042</u>

Town of Benton
Benton, Louisiana
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2024

Year Ended June 30	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
<u>Municipal Police Employees Retirement System of Louisiana</u>					
2024	0.112050%	\$ 1,015,177	\$ 368,156	275.75%	75.84%
2023	0.104990%	1,109,163	363,267	290.22%	71.30%
2022	0.110867%	1,133,258	331,530	341.83%	70.80%
2021	0.091914%	489,982	280,413	174.73%	84.09%
2020	0.080720%	745,995	249,307	299.23%	70.94%
2019	0.080220%	728,568	251,536	289.65%	71.01%
2018	0.084229%	712,077	247,848	287.30%	71.89%
2017	0.086750%	757,373	261,978	299.10%	70.08%
2016	0.095660%	896,576	267,956	334.60%	66.04%
2015	0.082928%	649,654	221,827	292.87%	70.73%
<u>Municipal Employees Retirement System of Louisiana</u>					
2024	0.554480%	\$ 336,444	\$ 505,101	150.13%	80.10%
2023	0.480990%	385,683	412,828	107.04%	73.25%
2022	0.613440%	538,587	493,180	109.21%	69.56%
2021	0.652479%	377,987	499,516	75.67%	79.14%
2020	0.625910%	567,218	485,067	116.94%	66.26%
2019	0.668646%	584,940	511,154	114.44%	66.14%
2018	0.689256%	582,955	510,789	114.14%	65.60%
2017	0.681390%	589,576	505,768	116.57%	62.49%
2016	0.721650%	598,198	530,201	112.82%	62.11%
2015	0.655064%	445,212	454,529	97.95%	66.18%

Town of Benton
Benton, Louisiana
Schedule of Contributions
For the Year Ended December 31, 2024

Year Ended June 30	Statutorily Required Contribution	Contributions in relation to the statutorily required contribution	Contribution Deficiency (Excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
<u>Municipal Police Employees Retirement System of Louisiana</u>					
2024	\$ 128,952	\$ 128,952	\$	\$ 371,436	34.72%
2023	124,488	124,488		382,181	32.50%
2022	104,013	104,013		340,871	30.51%
2021	99,832	99,832		315,262	31.67%
2020	84,369	84,369		254,621	33.14%
2019	80,021	80,021		247,165	32.38%
2018	80,484	80,484		254,525	31.62%
2017	82,694	82,694		266,979	30.97%
2016	74,874	74,874		244,903	30.57%
2015	76,732	76,732		252,474	30.39%
<u>Municipal Employees Retirement System of Louisiana</u>					
2024	\$ 79,315	\$ 79,315	\$	\$ 537,751	14.75%
2023	68,686	68,686		443,138	15.50%
2022	67,374	67,374		434,668	15.50%
2021	80,102	80,102		516,784	15.50%
2020	71,679	71,679		485,488	14.76%
2019	70,046	70,046		500,326	14.00%
2018	71,032	71,032		521,495	13.62%
2017	60,608	60,608		500,440	12.11%
2016	52,553	52,553		513,334	10.24%
2015	45,636	45,636		480,380	9.50%

**Amounts presented were determined as of the measurement date.

Town of Benton
Benton, Louisiana
Schedule of Compensation Paid to Board Members
For the Year Ended December 31, 2024

Mayor - Shelly G Horton, Jr.	\$ 40,000
Aldermen:	
Ronald Jones	5,100
James Friday	5,100
Tiffany Manning	5,100
Jackie Carr	5,100
Wayne Cathcart	5,100
	<hr/>
	\$ 65,500
	<hr/>

Town of Benton
Benton, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head: Shelly G. Horton, Jr., Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 40,000
Benefits - Life insurance	67

Town of Benton
Benton, Louisiana
Other Supplementary Information
Louisiana Community Development Block Grant
Schedule of Revenues and Expenditures
For the Period: January 1, 2024 to December 31, 2024

	Award No. <u>B-22-DC-22-0001</u>	Award No. <u>B-20-DW-22-001</u>
Revenue:		
Reimbursement received	\$ 529,930	\$ 143,166
Total revenue	<u>529,930</u>	<u>143,166</u>
Expenditures	\$ 529,930	\$ 143,166
Total expenditures	<u>529,930</u>	<u>143,166</u>

NOTES:

The funds received for award B-20-DW-22-0001 are in conjunction with the Town of Benton's splash pad project. Included in revenues of \$143,166, is accounts receivable of \$6,570, which was received subsequent to December 31, 2024.

The funds received for award B-22-DC-22-0001 are in conjunction with the Town of Benton's waste water improvement project. Included in revenues of \$529,930, is accounts receivable of \$116,452, which was received subsequent to December 31, 2024.

Town of Benton
Benton, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Through to Subrecipients</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through Louisiana Division of Administration, Office of Community Development				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-22-DC-22-0001		529,930
Covid-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-20-DW-22-001		143,166
Total U.S. Department of Health and Human Services				673,096
<u>U.S. Department of Treasury</u>				
Direct Program:				
Covid - 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown		348,473
Total Federal Expenditures			\$	\$ 1,021,569

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Benton under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Benton, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Benton.

NOTE B: Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The Town of Benton does not utilize an indirect cost rate.

Town of Benton
Justice System Funding Schedule - Collecting/Disbursing Schedule

Cash Basis Presentation

As Required by La. R.S. 24:515.2

	Amount for 01/01/2024 - 06/30/2024	Amount for 07/01/2024 - 12/31/2024
1. Beginning Cash Balance	-	-
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	3,975	4,955
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	25,765	17,926
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	29,740	22,881
3. Deductions: Collections Retained by the Town of Benton		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	-	-
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	25,765	17,926
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees [excluding amounts reported in bullets I and II above]	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the Town of Benton	25,765	17,926
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	-	-
5. Deductions: Total Disbursements to Other Governments & Nonprofits	3,975	4,955
6. Total Amounts Disbursed/Retained	29,740	22,881
7. Ending Cash Balance	-	-
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
9. Other Information:		
I. Ending Balance of Amounts Assessed but Not Yet Collected [i.e. total ending receivable balances]	-	-
II. Total Waivers During the Fiscal Period [i.e. non-cash reduction of receivable balances, such as time served or community service]	-	-

Town of Benton

Justice System Funding Schedule - Disbursements to Other Governments & Nonprofits Form

Cash Basis Presentation

As Required by La. R.S. 24:515.2

5. Details of Disbursements To Other Governments & Nonprofits (Do not include amounts retained by your entity in this table.)

Agency Receiving Money	Disbursement Description [Fund, Program, etc.] (Optional)	Legal Authority to Disburse Money	Disbursement Type	Amount for	Amount for
				01/01/2024 - 06/30/2024	07/01/2024 - 12/31/2024
Louisiana Department of Health	§2633. Traumatic Head and Spinal Cord Injury Trust Fund	R.S. 46:2633	f. Criminal Court Costs/Fees	430	435
Criminalistics Laboratory North Louisiana	§2266.1.1. Fees and costs of court	R.S. 40:2266.1.1	f. Criminal Court Costs/Fees	3,180	4,060
Department of the Treasury		CCRP 887 (F)(1)	f. Criminal Court Costs/Fees	105	133
Supreme Court	§86. Judicial College; education account; sources of funds	R.S. 13:86	f. Criminal Court Costs/Fees	53	66
LA Commission on Law Enforcement and Administration of Criminal Justice	§1816. Crime Victims Reparations Fund; creation; sources and use of funds	R.S. 46:1816(D)	f. Criminal Court Costs/Fees	207	261

COOK & MOREHART

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CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Independent Auditor's Report

The Honorable James Friday, Mayor
and Members of the Town Council
Town of Benton
Benton, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of the Town of Benton, Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Benton's basic financial statements, and have issued our report thereon dated June 23, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Benton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002.

Town of Benton's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Benton's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Town of Benton's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
June 23, 2025

COOK & MOREHART

Certified Public Accountants

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Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

The Honorable James Friday, Mayor
and Members of the Town Council
Town of Benton
Benton, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Benton's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Benton's major federal programs for the year ended December 31, 2024. The Town of Benton's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Benton complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Benton and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Benton's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town of Benton's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Benton's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Benton's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Benton's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town of Benton's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Benton's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
June 23, 2025

Town of Benton
Benton, Louisiana
Summary Schedule of Prior Audit Findings
December 31, 2024

A Single Audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required for the prior year ended December 31, 2023.

Schedule of Finding and Questioned Costs
December 31, 2024

A. Summary of Audit Results

Financial Statements

Type of audit report issued :	Unmodified		
Internal control over financial reporting :			
Material weaknesses identified :	_____ yes	<u>✓</u> no	
Significant deficiencies identified :	_____ yes	<u>✓</u> none reported	
Noncompliance material to financial statements noted :	<u>✓</u> yes	_____ no	

Federal Awards

Internal control over major programs :			
Material weaknesses identified :	_____ yes	<u>✓</u> no	
Significant deficiencies identified :	_____ yes	<u>✓</u> none reported	

Type of auditors' report issued on compliance
for major federal programs : Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR section
200.516(a) _____ yes ✓ no

Identification of major federal programs :
Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii: ALN 14.228
Covid-19 Coronavirus State and Local Fiscal Recovery Funds:
ALN 21.027

Dollar threshold used to distinguish between
type A and type B programs : \$750,000

Auditee qualified as low risk : _____ yes ✓ no

(Continued)

Town of Benton
Benton, Louisiana
Schedule of Finding and Questioned Costs
December 31, 2024
(Continued)

B. Findings – Financial Statements Audit:

2024-001 – Public Bid Law

Criteria: The Louisiana Public Bid law requires governments to obtain quotes for materials and supplies in excess of \$30,000, or purchase items under the state contract.

Finding: During 2024, the Town of Benton purchased 4 vehicles and a trailer. The Town did not obtain quotes and did not purchase the items on state contract.

Cause: The Town was unable to provide documentation to demonstrate compliance with the Louisiana Public Bid Law for the purchases noted.

Effect: The Town was not in compliance with the Louisiana Public Bid Law.

Recommendation: We recommend that the Town to comply with Louisiana Public Bid Law for all future purchases.

Views of Responsible Officials and Planned Corrective Actions: The Town will make sure that all future purchases are made in compliance with the Louisiana Public Bid Law.

2024-002 - Budget

Condition: Actual expenditures for the General Fund were more than budgeted expenditures by more than 5%.

Criteria: The Local Government Budget Act requires the annual budgets be amended when actual plus projected expenditures and other financing uses are more than budgeted amounts by more than 5%.

Cause: The Town did not appropriately amend the budget for 2024.

Effect: The Town was not in compliance with the Local Government Budget Act.

Recommendation: We recommend a proper monitoring of budget to actual comparisons throughout the year and that budgets be appropriately amended when actual plus projected expenditures and other financing uses are expected to be more than budgeted amounts by more than 5%.

Views of Responsible Officials and Planned Corrective Actions: The Town will monitor its budgets in the future and amend as needed in order to comply with the Local Government Budget Act.

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

Town of Benton
Benton, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule For Louisiana Legislative Auditor
December 31, 2024

There were no findings for the prior year ended December 31, 2023.

Summary Schedule of Current Year Audit Findings
Schedule For Louisiana Legislative Auditor
December 31, 2024

Corrective Action Plan for Current Year Audit Findings

There are two findings for the current year audit for the year ended December 31, 2024, as described in the accompanying Schedule of Findings and Questioned Costs.



TOWN OF BENTON

LOUISIANA

CORRECTIVE ACTION PLAN

June 23, 2025

Town of Benton respectfully submits the following corrective action plan for the year ended December 31, 2024.

Name and address of independent public accounting firm:

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Audit period: Year ended December 31, 2024

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

2024-001 – Public Bid Law

Recommendation: We recommend that the Town to comply with Louisiana Public Bid Law for all future purchases.

Planned Corrective Actions: The Town will make sure that all future purchases are made in compliance with the Louisiana Public Bid Law.

2024-002 Finding - Budget

Recommendation: We recommend a proper monitoring of budget to actual comparisons throughout the year and that budgets be appropriately amended when actual plus projected expenditures and other financing uses are expected to be more than budgeted amounts by more than 5%.

Planned Corrective Actions: The Town will monitor its budgets in the future and amend as needed in order to comply with the Local Government Budget Act.

If additional information is needed, please contact me at (318-965-2781).

Sincerely,


James Friday, Mayor

105 Sibley Street
Benton, Louisiana 71006
318-965-2781
318-965-2577 fax

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Benton is an equal opportunity employer.

COOK & MOREHART

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Alderman
Town of Benton
Benton, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. The Town of Benton's management is responsible for those C/C areas identified in the SAUPs.

The Town of Benton has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

2) *Board or Finance Committee*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

3) *Bank Reconciliations*

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. Noted the following exception:

Exception: The bank reconciliations for the month selected were not approved by a member of management.

Exception: One bank reconciliation selected for testing contained 13 checks totaling \$2,996.16, that were outstanding for more than 12 months from the statement closing date.

4) Collections (excluding electronic funds transfers)

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

5) Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

8) Contracts

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

9) Payroll and Personnel

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

10) Ethics

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

11) Debt Service

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

12) Fraud Notice

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

13) Information Technology Disaster Recovery/Business Continuity

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Procedures performed. Noted the following exception:

Exception: The Town did not complete the required sexual harassment report prior to February 1.

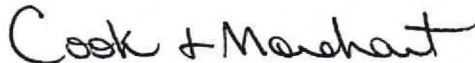
Exception: The Town's sexual harassment policy and complaint procedures were not on the Town's website.

Exception: Client could not locate sexual harassment training certificates for 4 of the 5 employees selected for testing.

We were engaged by the Town of Benton, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Benton, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in cursive script that reads "Cook & Morehart".

Cook & Morehart
Certified Public Accountants
June 23, 2025



TOWN OF BENTON LOUISIANA

June 23, 2025

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

The Town of Benton submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2024:

Exceptions: The bank reconciliations for the month selected were not approved by a member of management.

Response: The Town will ensure future bank reconciliations are approved by management.

Exception: One bank reconciliation selected for testing contained 13 checks totaling \$2,996.16, that were outstanding for more than 12 months from the statement closing date.

Response: The Town will research items that are outstanding for more than 12 months.

Exception: The Town did not complete the required sexual harassment report prior to February 1.

Response: The Town will ensure required report is completed timely in the future.

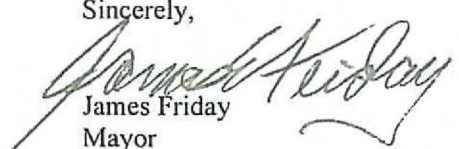
Exception: The Town's sexual harassment policy and complaint procedures were not on the Town's website.

Response: The Town will add the sexual harassment policy and complaint procedures to the Town's website.

Exception: Client could not locate sexual harassment training certificates for 4 of the 5 employees selected for testing.

Response: The Town will ensure all employees obtain the required annual sexual harassment training.

Sincerely,


James Friday
Mayor

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www.townofbentonlouisiana.com
Benton is an equal opportunity employer.