

TOWN OF BENTON, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

**TOWN OF BENTON
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2025**

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**TOWN OF BENTON
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

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, 2025. Please read it in conjunction with the Town's financial statements, which begin on page 9.

Financial Highlights

- The Town of Benton's net position of our governmental activities increased by \$1,283,923 or 8%. The Town of Benton's net position of its business-type activities decreased \$268,896 or 3%.
- In the Town's governmental activities, total general and program revenues were \$3,333,421 in 2025 compared to \$3,133,590 in 2024. Total expenses, excluding depreciation, totaled \$2,049,498 for the year ended December 31, 2025.
- In the Town's business-type activities, total revenues were \$3,137,092 in 2025 compared to \$3,394,840 in 2024. Total expenses, excluding depreciation, totaled \$3,405,988 for the year ended December 31, 2025.

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 9 and 10) 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 9. The Statement of Net Position and the Statement of Activities present information about the funds maintained by the Town of Benton as a whole and about its activities. These statements include all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

**TOWN OF BENTON
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues, for example, the police department. Business-type activities are functions that are intended to support their costs through charges for services or fees, such as the Water and Sewer Departments.

Government-wide Financial Analysis

As noted earlier, net position may, overtime, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$26,411,876 (net position); this represents an increase of \$1,015,027 from the last fiscal year. Of this total net asset amount, \$6,073,173 is unrestricted net position. The Town's net position is comprised of \$16,769,850 from government activities and \$9,642,026 from business-type activities.

	Governmental-Type Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current & Other Assets	\$ 9,547,709	\$ 8,203,123	\$ 4,495,656	\$ 4,640,913	\$14,043,365	\$12,844,036
Capital Assets (net)	8,137,176	8,500,295	5,701,884	6,041,258	13,839,060	14,541,553
Total Assets	\$ 17,684,885	\$ 16,703,418	\$ 10,197,540	\$ 10,682,171	\$27,882,425	\$ 27,385,589
Deferred Outflows of Resources	145,639	237,517	173,178	180,936	\$ 318,817	\$ 418,453
Liabilities						
Other Liabilities	\$ 67,538	\$ 54,731	\$ 437,389	\$ 654,178	\$ 504,927	\$ 708,909
Long-Term Liability	653,917	1,178,906	274,656	262,247	928,573	1,441,153
Total Liabilities	\$ 721,455	\$ 1,233,637	\$ 712,045	\$ 916,425	\$ 1,433,500	\$ 2,150,062
Deferred Inflows of Resources	\$ 339,219	\$ 221,371	\$ 16,647	\$ 35,760	\$ 355,866	\$ 257,131
Net Position						
Invested In Capital Assets, Net	\$ 8,137,176	\$ 8,457,960	\$ 5,701,884	\$ 5,827,949	\$13,839,060	\$14,285,909
Restricted	\$ 6,273,713	\$ 5,135,734	\$ 225,930	\$ 223,350	6,499,643	5,359,084
Unrestricted	2,358,961	1,892,233	3,714,212	3,859,623	6,073,173	5,751,856
Total Net Position	\$ 16,769,850	\$ 15,485,927	\$ 9,642,026	\$ 9,910,922	\$26,411,876	\$ 25,396,849

By far the largest portion of the Town's net position, \$13,839,060 reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, town infrastructure, etc.) less any related debt used to acquire those assets still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The Town has accumulated \$225,930 restricted for customer deposits.

The balance of \$6,073,173 is unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

TOWN OF BENTON
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
Continued

Total liabilities of \$1,433,500 are equal to 5.43% of the total net position.

The following is a summary of the statement of activities:

	Governmental-Type Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue						
Program Revenue	\$ 379,589	\$ 351,400	\$ 2,443,388	\$ 2,563,249	\$ 2,822,977	\$ 2,914,649
Grants and Contributions	-	332,360	36,891	863,607	36,891	1,195,967
General Revenue & Transfers	2,953,832	2,465,597	656,813	521,984	3,610,645	2,987,581
Total Revenue	<u>\$ 3,333,421</u>	<u>\$ 3,149,357</u>	<u>\$ 3,137,092</u>	<u>\$ 3,948,840</u>	<u>\$ 6,470,513</u>	<u>\$ 7,098,197</u>
Expenses						
General Government	\$ 669,100	\$ 649,388			\$ 669,100	\$ 649,388
Public Safety	818,243	1,127,020			818,243	1,127,020
Public Works	539,314	544,852			539,314	544,852
Parks and Recreation	22,841	18,818			22,841	18,818
Water & Sewer Utilities	-	-	3,405,988	3,420,079	3,405,988	3,420,079
Total Expenses	<u>\$ 2,049,498</u>	<u>\$ 2,340,078</u>	<u>\$ 3,405,988</u>	<u>\$ 3,420,079</u>	<u>\$ 5,455,486</u>	<u>\$ 5,760,157</u>
Increase (Decrease) in Net Position	1,283,923	809,279	(268,896)	528,761	1,015,027	1,338,040
Net Position, Beginning	<u>\$ 15,485,927</u>	<u>\$ 14,676,648</u>	<u>\$ 9,910,922</u>	<u>\$ 9,382,161</u>	<u>\$ 25,396,849</u>	<u>\$ 24,058,809</u>
Net Position, Ending	<u>\$ 16,769,850</u>	<u>\$ 15,485,927</u>	<u>\$ 9,642,026</u>	<u>\$ 9,910,922</u>	<u>\$ 26,411,876</u>	<u>\$ 25,396,849</u>

The Town's total revenues decreased by \$627,684 or 8.8%. The total cost of all programs and services decreased \$304,671 or 5.3%. Our analysis below separately considers the operations of the governmental and business-type activities.

Governmental Activities

Total revenues for the governmental activities increased by \$184,064 or 5.8% from total revenues in the year ended December 31, 2025 of \$3,333,421 to total revenues of \$3,149,357 in the year ended December 31, 2025.

The cost of all governmental activities this year was \$2,049,498. These costs were covered in part by \$379,589 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 decreased \$811,748 or 20.6% from total revenues in the year ended December 31, 2024 of \$3,948,840 to total revenues of \$3,137,092 in the year ended December 31, 2025. This decrease is due primarily to a decrease in capital grants and contributions.

The cost of all business-type activities this year was \$3,405,988. These costs were covered by program revenues, consisting of charges for services assessed to users and capital grants and contributions.

**TOWN OF BENTON
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
Continued**

General Fund Budgetary Highlights

The Town adopted an original budget for the General Fund and an amended 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 \$226,000 under budgeted amounts.
- Overall revenues and other financing sources were approximately \$126,000 greater than budgeted amounts.

The Town's General Fund balance of \$3,157,041 reported on page 11 differs from the General Fund's budgetary fund balance of \$3,143,777 reported in the budgetary comparison schedule on page 50. This is primarily due to the Town budgeting on the cash basis of accounting.

Capital Assets

The total investment in net capital assets as of December 31, 2025 is \$13,839,060.

Capital assets of \$139,341 were purchased or constructed in fiscal 2025 for business type activities. Capital assets purchased or constructed of \$135,824 in fiscal 2025 for government type activities.

Debt

At the end of 2025 the Town had \$928,573 in long-term liabilities as described below:

	Outstanding Debt At Year End					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Net Pension Liability	\$ 595,108	\$ 1,095,591	\$ 222,923	\$ 256,030	\$ 818,031	\$ 1,351,621
Lease Assets	4,708	17,891	3,367	6,217	8,075	24,108
Compensated Absences	54,101	65,594	48,366	52,366	102,467	117,960
	<u>\$ 653,917</u>	<u>\$ 1,179,076</u>	<u>\$ 274,656</u>	<u>\$ 314,613</u>	<u>\$ 928,573</u>	<u>\$ 1,493,689</u>

More detailed information about the long-term liabilities is presented in Note 16 to the financial statements.

In accordance with GASB Statement No. 68, the Town is reporting a net pension liability of \$818,031, on the Statement of Net Position for governmental and business activities at December 31, 2025. Additional information about the Town's net position liability is presented in Note 15 to the financial statements.

**TOWN OF BENTON
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
Continued**

Economic Factors and Next Year's Budgets

The Town of Benton's management considered many factors when setting a fiscal year December 31, 2026 budget. Amounts available for appropriation in the governmental funds are expected to remain substantially the same as 2025. Expenditures for 2025 are expected to remain substantially the same as 2025.

Requests for Information

This financial report is designed to provide a general overview of the Town of Benton's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mayor at P.O. Box 1390, Benton, Louisiana 71006.

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INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen
Town of Benton
Benton, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Town of Benton, Louisiana ("Town"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Town of Benton, Louisiana, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 doubt about the Town of Benton, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment 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 the Town of Benton, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Benton, Louisiana'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 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, 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 me 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's basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 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 basis 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 management's discussion and analysis and budgetary comparison 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, 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 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 a report dated June 26, 2026, on our consideration of the Town'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 this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.

Judy Moncrief CPA LLC
Shreveport, Louisiana
June 26, 2026

TOWN OF BENTON, LOUISIANA
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents (Note 3)	\$ 9,151,133	\$ 4,127,882	\$ 13,279,015
Receivables (Net of Allowances) (Note 6)	361,243	136,143	497,386
Prepaid Expenses (Note 7)	20,517	20,517	41,034
Total Current Assets	9,532,893	4,284,542	13,817,435
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents (Note 3)		225,930	225,930
Due From Other Funds (Note 8)	14,816	(14,816)	-
Capital Assets, Net of Accumulated Depreciation (Note 10)	7,927,401	5,672,384	13,599,785
Non-Depreciable Assets (Note 10)	209,775	29,500	239,275
Total Noncurrent Assets	8,151,992	5,912,998	14,064,990
Total Assets	\$ 17,684,885	\$ 10,197,540	\$ 27,882,425
Deferred Outflows of Resources			
Pension (Note 9)	\$ 145,639	\$ 173,178	\$ 318,817
LIABILITIES			
Current Liabilities:			
Accounts and Other Payables (Note 13)	\$ 54,988	\$ 207,212	\$ 262,200
Customer Deposits (Note 12)	-	225,930	225,930
Accrued Compensated Absences - Short Term (Note 14)	6,052	2,792	8,844
Lease Liability - Short Term (Note 14)	6,498	1,455	7,953
Total Current Liabilities	67,538	437,389	504,927
Noncurrent Liabilities:			
Accrued Compensated Absences (Note 14)	54,101	48,366	102,467
Lease Liability (Note 14)	4,708	3,367	8,075
Net Pension Liability (Note 16)	595,108	222,923	818,031
Total Noncurrent Liabilities	653,917	274,656	928,573
Total Liabilities	721,455	712,045	1,433,500
Deferred Inflows of Resources			
Leases (Note 17)	33,199		33,199
Pension (Note 9)	306,020	16,647	322,667
Total Deferred Inflows of Resources	339,219	16,647	355,866
NET POSITION			
Invested in Capital Assets, Net of Related Debt	8,137,176	5,701,884	13,839,060
Restricted For Public Works	6,273,713	225,930	6,499,643
Unrestricted	2,358,961	3,714,212	6,073,173
Total Net Position	16,769,850	9,642,026	26,411,876

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

TOWN OF BENTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING DECEMBER 31, 2025

Statement B

		Program Revenues			Net (Expenses) Revenues and Changes of Primary Government		
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 669,100	\$ 310,922	\$ -	\$ -	\$ (358,178)		\$ (358,178)
Public Safety	818,243	68,667			(749,576)		(749,576)
Public Works	539,314				(539,314)		(539,314)
Parks and Recreation	22,841				(22,841)		(22,841)
Total Governmental Activities	<u>2,049,498</u>	<u>379,589</u>	<u>-</u>	<u>-</u>	<u>(1,669,909)</u>	<u>-</u>	<u>(1,669,909)</u>
Business-Type Activities:							
Water, Sewer, and Sanitation	<u>3,405,988</u>	<u>2,443,388</u>		<u>36,891</u>		<u>(925,709)</u>	<u>(925,709)</u>
Total Business-Type Activities	<u>3,405,988</u>	<u>2,443,388</u>	<u>-</u>	<u>36,891</u>	<u>-</u>	<u>(925,709)</u>	<u>(925,709)</u>
Total Primary Government	<u>5,455,486</u>	<u>2,822,977</u>	<u>-</u>	<u>36,891</u>	<u>(1,669,909)</u>	<u>(925,709)</u>	<u>(2,595,618)</u>
General Revenues:							
Property Taxes, Levied for General Purposes					\$ 214,398	\$ -	\$ 214,398
Sales Taxes					2,033,754	463,507	2,497,261
Franchise Taxes					43,008		43,008
Gaming Taxes					100,482		100,482
Intergovernmental					38,960		38,960
Investment Earnings					300,987	193,306	494,293
Rental Income					7,500		7,500
Other General Revenues					214,743		214,743
Transfers - Net					-		-
Total General Revenues and Transfers					<u>2,953,832</u>	<u>656,813</u>	<u>3,610,645</u>
Change in Net Position					1,283,923	(268,896)	1,015,027
Net Position - Beginning					<u>15,485,927</u>	<u>9,910,922</u>	<u>25,396,849</u>
Net Position - Ending					<u>16,769,850</u>	<u>9,642,026</u>	<u>26,411,876</u>

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

TOWN OF BENTON, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2025

	General Fund	Sales Tax Fund	Total Governmental Funds
ASSETS			
Cash and Equivalents	\$ 2,977,982	\$ 6,173,151	\$ 9,151,133
Receivables (Net of Allowances)	260,681	100,562	361,243
Due from Other Funds	14,816		14,816
TOTAL ASSETS	<u>\$ 3,253,479</u>	<u>\$ 6,273,713</u>	<u>\$ 9,527,192</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, and Other Payables	\$ 63,239		\$ 63,239
Due to Other Funds			-
Total Liabilities	<u>63,239</u>	<u>-</u>	<u>63,239</u>
Deferred Inflows of Resources			
Leases	33,199	-	33,199
Fund Balances:			
Restricted for Public Works		6,273,713	6,273,713
Unassigned	3,157,041		3,157,041
Total Fund Balances	<u>3,157,041</u>	<u>6,273,713</u>	<u>9,430,754</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,253,479</u>	<u>\$ 6,273,713</u>	<u>\$ 9,527,192</u>

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

TOWN OF BENTON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

Amounts Reported for Governmental Activities in the
Statement of Net Position are Difference Because:

Fund Balances - Total Governmental Funds (Statement C)	\$ 9,430,754
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Capital Assets Used in Governmental Activities are Not
Financial Resources and, Therefore, are Not Reported in
The Governmental Funds:

Governmental Capital Assets	\$ 13,077,315	
Less Accumulated Depreciation	<u>(4,940,139)</u>	8,137,176

The Nonallocation Method of Accounting for Prepayments is Used
in the Fund Statements, Since the Prepayment Does Not Provide
Expendable Financial Resources

20,517

Long-Term Assets and Liabilities are Not Due and Payable in the Current
Period and, Therefore, are Not Reported in the Governmental Funds.

Lease Liability	(11,206)	
Compensated Absences	(51,902)	
Net Pension Liability	(595,108)	
Deferred Outflows of Resources	145,639	
Deferred Inflows of Resources	<u>(306,020)</u>	

Net Position of Governmental Activities (Statement A)	<u>\$ 16,769,850</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2025

	General Fund	Sales Tax Fund	Total Governmental Funds
REVENUES			
Ad Valorem Taxes	\$ 214,398	\$ -	\$ 214,398
Sales Taxes	1,018,050	1,015,704	2,033,754
Franchise Taxes	43,008		43,008
Gaming Taxes	100,482		100,482
Intergovernmental	-	-	-
Licenses and Permits	295,938		295,938
Fines, Forfeitures, and Court Costs	55,941		55,941
Investment Earnings	106,028	194,959	300,987
Miscellaneous	144,719		144,719
Total Revenues	<u>\$ 1,978,564</u>	<u>\$ 1,210,663</u>	<u>\$ 3,189,227</u>
EXPENDITURES			
General Government	\$ 622,913		\$ 622,913
Public Safety	933,254		933,254
Public Works	108,214		108,214
Parks and Recreation	22,727		22,727
Capital Outlay	135,938		135,938
Total Expenditures	<u>1,823,046</u>	<u>-</u>	<u>1,823,046</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures:	155,518	1,210,663	1,366,181
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	72,684		72,684
Operating Transfers Out	-	(72,684)	(72,684)
Total Other Financing Sources (Uses)	<u>72,684</u>	<u>(72,684)</u>	<u>-</u>
Net Change in Fund Balance	228,202	1,137,979	1,366,181
Fund Balance - Beginning of Year	2,928,839	5,135,734	8,064,573
Fund Balance - Ending	<u>\$ 3,157,041</u>	<u>\$ 6,273,713</u>	<u>\$ 9,430,754</u>

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

TOWN OF 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 ENDING DECEMBER 31, 2025

Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds (Statement E)	\$ 1,366,181
Governmental Funds Report Capital Outlays as Expenditures. However, In the Statement of Activities, the Costs of Those Assets is Allocated Over Their Estimated Useful Lives and Reported as Depreciation Expense. This is the Amount by Which Capital Outlay (\$135,824) Less Depreciation (\$498,945) in the Current Period.	(363,121)
Nonallocation Method of Accounting for Prepayments Used in Fund Statements (Prepayment Does Not Provide Expendable Financial Resources)	24,123
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	(6,686)
Compensated Absences	(13,524)
Net Pension Liability Decrease (Increase)	<u>276,950</u>
Change in Net Position of Governmental Activities (Statement B)	<u>\$ 1,283,923</u>

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

TOWN OF BENTON, LOUISIANA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
AS OF DECEMBER 31, 2025

Business-Type Activities -

Enterprise Fund

2025

2024

ASSETS

Current Assets:

Cash and Equivalents	\$ 4,127,882	\$ 3,845,012
Receivables	136,143	482,290
Due From Other Funds		45,505
Prepaid Expenses	20,517	44,756
Total Current Assets	4,284,542	4,417,563

Restricted Assets:

Cash and Equivalents	225,930	223,350
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Non-Current Assets:

Net Capital Assets	5,701,884	6,041,258
Total Non-Current Assets	5,701,884	6,041,258
TOTAL ASSETS	10,212,356	10,682,171

Deferred Outflows of Resources:

Pension	173,178	180,936
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LIABILITIES

Current Liabilities:

Accounts, Salaries, and Other Payables	\$ 207,212	\$ 376,671
Accrued Compensated Absences - Short Term	2,792	7,595
Lease Liability - Short Term	1,455	1,395
Due to Other Funds	14,816	-
Total Current Liabilities	226,275	385,661

Current Liabilities Payable from Restricted Assets

225,930 223,350

Non-Current Liabilities

Lease Liability	3,367	4,822
Accrued Compensated Absences	48,366	46,562
Net Pension Liability	222,923	256,030
Total Non-Current Liabilities	274,656	307,414
Total Liabilities	726,861	916,425

Deferred Inflows of Resources

Pension	16,647	35,760
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NET POSITION

Net Investment in Capital Assets	5,701,884	5,827,949
Restricted For Customer Deposits	225,930	223,350
Unrestricted	3,714,212	3,859,623
TOTAL NET POSITION	\$ 9,642,026	\$ 9,910,922

19The accompanying notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2025

	Business-Type Activities - Enterprise Fund	
	2025	2024
Operating Revenues		
Charges for Services -		
Water Sales	\$ 1,451,150	\$ 1,668,714
Sewer Fees	587,091	554,786
Solid Waste Collection	255,682	218,356
Other Income	149,465	121,393
Total Operating Revenue	2,443,388	2,563,249
Operating Expenses		
Salaries	535,929	534,735
Payroll Taxes and Benefits	200,879	149,664
Office Expenses	53,475	39,608
Insurance	139,458	109,993
Professional Fees	110,835	92,258
Travel	2,478	1,395
Repairs and Maintenance	378,147	739,302
Telephone	8,966	6,537
Utilities	105,050	94,639
Vehicle Operations	43,133	23,843
Commerical Solid Waster	236,897	192,869
Miscellaneous Expenses	38,664	6,053
Supplies	89,252	40,189
Water Purchases	984,120	930,301
Depreciation	478,705	458,693
Total Operating Expenses	3,405,988	3,420,079
Operating Income (Loss)	(962,600)	(856,830)
Nonoperating Revenues (Expenses)		
Interest Earnings	193,306	59,296
Operating Grants and Contributions	-	14,909
Intergovernmental Grants		53,527
Sales Taxes	463,507	478,455
Total Nonoperating Revenues (Expenses)	656,813	606,187
Income Before Contributions and Transfers	(305,787)	(250,643)
Capital Contributions	36,891	795,171
Transfers In	-	(15,767)
Change in Net Position	(268,896)	528,761
Total Net Position - Beginning	9,910,922	9,382,161
Total Net Position - Ending	9,642,026	9,910,922

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

TOWN OF BENTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2025

	Business-Type Activities - Enterprise Fund	
	2025	2024
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 2,681,144	\$ 2,534,990
Payments to Suppliers	(2,438,046)	(2,607,025)
Payments to Employees	(565,466)	(728,530)
Net Cash (Used In) Operating Activities	(322,368)	(800,565)
Cash Flows from Noncapital Financing Activities		
Sales Tax	458,026	474,929
Intergovernmental Grants	153,343	428,387
Transfer from Other Funds	60,321	(15,767)
Interfund Loans	-	(103)
Net Cash Provided (Used) by Noncapital Financing Activities	671,690	887,446
Cash Flows from Capital and Related Financing Activities		
Purchases of Capital Assets	(255,783)	(781,247)
Net Cash Provided (Used) by Capital and Related Financing Activities	(255,783)	(781,247)
Cash Flows from Investing Activities		
Sale of Investments	-	1,041,860
Lease Obligation	(1,395)	
Interest and Dividends Received	193,306	59,296
Net Cash Provided by Investing Activities	191,911	1,101,156
Net Increase (Decrease) in Cash and Equivalents	285,450	406,790
Cash and Equivalents - Beginning of Year	4,068,362	3,661,572
Cash and Equivalents - Ending of Year	\$ 4,353,812	\$ 4,068,362
Cash and Cash Equivalents are Reflected on the Statement of Net Position as Follows:		
Cash and Cash Equivalents	\$ 4,127,882	\$ 3,845,012
Restricted Cash and Cash Equivalents	\$ 225,930	223,350
	\$ 4,353,812	\$ 4,068,362

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

TOWN OF BENTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2025
(CONTINUED)

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Income to Net Cash Provided (Used)		
by Operating Activities		
Operating Income	\$ (962,600)	\$ (856,830)
Depreciation	478,705	458,693
(Increase) Decrease in Accounts Receivable	235,175	(25,824)
(Increase) Decrease in Prepaid Expenses	24,239	(13,289)
(Increase) Decrease in Accrued Expenses	(2,998)	40,645
Increase (Decrease) in Customer Deposits	2,580	(2,435)
Increase (Decrease) in Accounts Payable	(53,007)	(316,749)
Increase (Decrease) in Pension Liability	<u>(44,462)</u>	<u>(84,776)</u>
Net Cash Provided by Operating Activities	<u>\$ (322,368)</u>	<u>\$ (800,565)</u>

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

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

INTRODUCTION

The Town of Benton, Louisiana (Town) was incorporated 1876 under the provisions of the Lawrason Act. The Town is located in Bossier Parish in Northwest Louisiana.

The Town operates under a Mayor-Board of Aldermen form of government. Elected officials of the Town consist of the mayor and five alderman who are each elected to four-year terms. The affairs of the Town are conducted and managed by the mayor and the board of alderman.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Benton (Town)'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). GAAP as applicable to governments also conforms to the requirements of Louisiana R.S. 24:513, the *Louisiana Municipal Audit and Accounting Guide* and to the industry guides, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

A. Reporting Entity

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a general-purpose local government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Town for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.
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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.
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 units. 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 substantially 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 in 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.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis 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.

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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.
 - 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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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, empowerments, 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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 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 it's 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.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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 \$14,390 and \$96,499, respectively.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 post-retirement 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.
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 a 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 exceed the positive fund balance for the non-general fund.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

NOTE 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:

	Authorized	Levied	
	<u>Millage</u>	<u>Millage</u>	<u>Expiration</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.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents - At December 31, 2025, the Town had cash and cash equivalents (book balances) totaling \$13,279,015, including \$200 cash on hand. An amount of \$225,930 was restricted cash and cash equivalents. 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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

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, 2025, \$6,938,624 of the Town's bank balance of \$13,569,326 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by the
Pledging Bank's Trust Department, Not
In the Town's Name:

Cash and Cash Equivalents	\$ <u>6,938,624</u>
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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.

NOTE 4 - SUPPLEMENTAL PAY

The Town recognizes general fund revenues and expenses supplemental pay made by the State of Louisiana to the Town's police employees. For the year ended December 31, 2025, the town's police chief and officers received \$38,960 in police supplemental pay from the State of Louisiana, Department of Public Safety and Corrections.

NOTE 5 - ADOPTION OF NEW ACCOUNTING STANDARD - GASB STATEMENT NO. 101

During the year ended December 31, 2025, 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.

NOTE 6 - RECEIVABLES

The receivables of \$497,386 at December 31, 2025, are as follows:

Class of Receivable	Governmental	Business-Type	Total
Sales and Use Taxes	\$ 201,124	\$ 50,281	\$ 251,405
Ad Valorem Taxes	100,728		100,728
Gaming Taxes	11,708		11,708
Leases	33,199		33,199
Franchises Fees	13,162		13,162
Water and Sewer Charges (Net)		85,862	85,862
Miscellaneous	1,322		1,322
Total	<u>\$ 361,243</u>	<u>\$ 136,143</u>	<u>\$ 497,386</u>

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 7 - PREPAID ITEMS

Prepaid items at December 31, 2025 consist of prepaid insurance premiums in the governmental activities of \$20,517 and in the business-type activities of \$20,517.

NOTE 8 - INTERFUND TRANSFERS

Amounts due from and to other funds as reported in the fund financial statements at December 31, 2025 are:

<u>Fund</u>	<u>Transfer to</u>	<u>Transfer from</u>	<u>Net</u>
General Fund	\$ 72,684	\$ -	\$ 72,684
Sales Tax - Streets		(72,684)	(72,684)
Total Governmental Funds	72,684	(72,684)	-
Water & Sewer Fund			-
Total Enterprise Funds	-	-	-
	<u>\$ 72,684</u>	<u>\$ (72,684)</u>	<u>\$ -</u>

In the ordinary course of business, the Town routinely transfers resources between its funds. Transfers are used to (1) move revenue from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and (2) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorization.

NOTE 9 - DEFERRED INFLOWS AND DEFERRED OUTFLOWS OF RESOURCES

The Statement of Net Position reports deferred inflows of resources at December 31, 2025, consisting of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Pension Related - MERS	\$ 5,257	\$ 16,647	\$ 21,904
Pension Related - MPERS	300,763		300,763
Leases	33,199		33,199
	<u>\$ 339,219</u>	<u>\$ 16,647</u>	<u>\$ 355,866</u>

The Statement of Net Position reports deferred outflows of resources at December 31, 2025, consisting of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Pension Related - MERS	\$ 18,367	\$ 173,178	\$ 191,545
Pension Related - MPERS	127,272		127,272
	<u>\$ 145,639</u>	<u>\$ 173,178</u>	<u>\$ 318,817</u>

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 10 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Adjustment	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated					
Land	\$ 209,775				209,775
Construction in Progress	15,250	-	-	15,250	-
Total Capital Assets Not Being Depreciated	<u>225,025</u>	<u>-</u>	<u>-</u>	<u>15,250</u>	<u>209,775</u>
Capital Assets, Being Depreciated					
Buildings	926,048				926,048
Infrastructure	10,166,894		72,719		10,239,613
Equipment	880,952		74,851		955,803
Vehicles	709,373		3,506		712,879
Total Capital Assets Being Depreciated	<u>12,683,267</u>	<u>-</u>	<u>151,076</u>	<u>-</u>	<u>12,834,343</u>
Less Accumulated Depreciation					
Buildings	(764,284)		(20,008)		(784,292)
Infrastructure	(2,593,998)		(384,258)		(2,978,256)
Equipment	(562,914)		(46,850)		(609,764)
Vehicles	(504,104)		(41,189)		(545,293)
Total Accumulated Depreciation	<u>(4,425,300)</u>	<u>-</u>	<u>(492,305)</u>	<u>-</u>	<u>(4,917,605)</u>
Leased Assets					
Equipment	33,199				33,199
Total Leased Assets, Being Amortized	<u>33,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,199</u>
Less Accumulated Amortization for					
Leased Equipment	(15,896)		(6,640)		(22,536)
Total Accumulated Amortization	<u>(15,896)</u>	<u>-</u>	<u>(6,640)</u>	<u>-</u>	<u>(22,536)</u>
Total Capital Assets Being Depreciated (Net)	<u>8,275,270</u>	<u>-</u>	<u>(347,869)</u>	<u>-</u>	<u>7,927,401</u>
Governmental Capital Assets - Net	<u>\$ 8,500,295</u>	<u>\$ -</u>	<u>\$ (347,869)</u>	<u>\$ 15,250</u>	<u>\$ 8,137,176</u>

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 10 - CAPITAL ASSETS - Continued

	Beginning Balance	Adjustment	Increases	Decreases	Ending Balance
<u>Business-Type Activities:</u>					
Capital Assets, Not Being Depreciated					
Land	\$ 29,500				29,500
Construction in Progress	830,231	-	-	830,231	-
Total Capital Assets Not Being Depreciated	859,731	-	-	830,231	29,500
Capital Assets, Being Depreciated					
Vehicles	303,334		50,000		353,334
Sewer System	4,028,192		867,112		4,895,304
Sewer Equipment	4,266,577		52,450		4,319,027
Water Equipment	3,711,417				3,711,417
Other Equipment	93,170				93,170
Total Capital Assets Being Depreciated	12,402,690	-	969,562	-	13,372,252
Less Accumulated Depreciation					
Vehicles	(172,404)		(20,259)		(192,663)
Sewer System	(3,549,370)		(370,403)		(3,919,773)
Sewer Equipment	(1,356,140)		(83,595)		(1,439,735)
Water Equipment	(2,112,640)		(2,976)		(2,115,616)
Other Equipment	(36,744)				(36,744)
Total Accumulated Depreciation	(7,227,298)	-	(477,233)	-	(7,704,531)
Leased Assets					
Equipment	7,362				7,362
Total Leased Assets, Being Amortized	7,362	-	-	-	7,362
Less Accumulated Amortization for					
Leased Equipment	(1,227)		(1,472)		(2,699)
Total Accumulated Amortization	(1,227)	-	(1,472)	-	(2,699)
Total Capital Assets Being Depreciated (Net)	5,181,527	-	490,857	-	5,672,384
Business-Type Activities Capital Assets - Net	\$ 6,041,258	\$ -	\$ 490,857	\$ 830,231	\$ 5,701,884

NOTE 11 – RESTRICTED ASSETS – PROPRIETARY FUND TYPE

The Water and Sewer Fund had restricted net position as follows consisting of customer deposits of \$225,930.

NOTE 12 – CUSTOMER DEPOSITS

Deposits held for customers deposits that are currently active on the water system total \$225,930 at December 31, 2025.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 13 - ACCOUNTS PAYABLES AND ACCRUED EXPENSES

Payables of \$262,200 at December 31, 2025 are as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 12,905	\$ 168,392	\$ 181,297
Accrued Retirement	14,283	10,227	24,510
Payroll Liabilities	23,745	15,181	38,926
Other	4,055	13,412	17,467
	<u>\$ 54,988</u>	<u>\$ 207,212</u>	<u>\$ 262,200</u>

NOTE 14 - LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Other Long-Term Liabilities					
Net Pension Liability - MERS	\$ 80,414	\$ -	\$ (10,017)	\$ 70,397	\$ -
Net Pension Liability - MPERS	1,015,177	-	(490,466)	524,711	-
Lease Assets	17,891		(6,685)	11,206	6,498
Accrued Annual Leave	15,191		(6,822)	8,369	3,085
Accrued Sick Leave	55,950		(4,166)	51,784	2,967
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 1,184,623</u>	<u>\$ -</u>	<u>\$ (518,156)</u>	\$ 666,467	\$ 12,550
Less Amounts Due Within Period Availability - Recorded in Current Liabilities				(12,550)	
Total Long-Term Liabilities - Governmental Activities				<u>\$ 653,917</u>	<u>\$ 12,550</u>
Business-Type Activities:					
Other Long-Term Liabilities					
Net Pension Liability - MERS	\$ 256,030	\$ -	\$ (33,107)	\$ 222,923	\$ -
Lease Assets	6,217		(1,395)	4,822	1,455
Accrued Annual Leave	20,271		(2,883)	17,388	1,954
Accrued Sick Leave	33,886		(116)	33,770	838
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 316,404</u>	<u>\$ -</u>	<u>\$ (37,501)</u>	\$ 278,903	\$ 4,247
Less Amounts Due Within Period Availability - Recorded in Current Liabilities				(4,247)	
Total Long-Term Liabilities - Business-Type Activities				<u>\$ 274,656</u>	<u>\$ 4,247</u>

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 14- LONG-TERM OBLIGATIONS - Continued

Information about each retirement plan is detailed in Note 18. The change in compensated absences' liability is reported as a net change.

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 \$22,536, and business-type capital assets at a cost of \$7,362, with accumulated amortization totaling \$2,699, as of December 31, 2025. 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:

Governmental Activities

Fiscal Year

	Principal	Interest	Total
2026	\$ 6,498	\$ 350	\$ 6,848
2027	4,708	86	4,794
	<u>\$ 11,206</u>	<u>\$ 436</u>	<u>\$ 11,642</u>

Business-Type Activities

Fiscal Year

	Principal	Interest	Total
2026	\$ 1,455	\$ 173	\$ 1,628
2027	1,516	112	1,628
2028	1,581	47	1,628
2029	270	1	271
	<u>\$ 4,822</u>	<u>\$ 333</u>	<u>\$ 5,155</u>

NOTE 15 - 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.

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS

Municipal Employees' Retirement System of Louisiana (System)

Plan Description

The Town of Benton contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System was originally established by Act 366 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.

These notes are an integral part of these financial statements.

**TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025**

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

Eligibility Requirements

Membership is mandatory as a condition of employment beginning on the date employed if the employee is working on a permanent basis 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.

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. Generally, the monthly amount of retirement shall consist of an amount equal to 2% of the employee's final compensation multiplied by his or her 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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

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 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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

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 5% of earnable compensation. For the plan year ending June 30, 2025, the actual employer contribution rate was 13.72% for Plan B. The Town's contributions to the System for the years ended December 31, 2025, 2024, 2023, and 2022 were \$86,057, \$79,315, \$68,686, and \$67,374, respectively. Included in contributions for the year ended December 31, 2025, were contributions for the months of November and December 2025, totaling \$13,703, which were paid in 2026.

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 \$23,680 are recognized as revenue during the year ended December 31, 2025 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, 2025, the Town reported a liability of \$293,320 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, 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, 2025 as compared to the total of all employers' contributions received by the System during the fiscal year ended June 30, 2025. The Town's proportion as measured at June 30, 2025, was .613523%, which was an increase of .05904% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town of Benton recognized the system pension expense of \$45,651 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$3,835).

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

At December 31, 2025, the Town of Benton 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
Difference Between Expected and Actual Experience	\$ 983	\$ 3,113
Changes in Assumptions	1,663	5,266
Net Difference Between Projected and Actual Earnings on Pension Plan	2,543	8,051
Change in Employer's Proportionate Share of Beginning Net Pension Liability	69	216
Total	<u>\$ 5,258</u>	<u>\$ 16,646</u>
	Deferred Outflows of Resources	
	Governmental Activities	Business-Type Activities
Difference Between Expected and Actual Experience	\$ -	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Changes in Employer's Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	8,336	26,396
Contributions After the Measurement Period of Contributions	10,031	31,766
Total	<u>\$ 18,367</u>	<u>\$ 58,162</u>

The \$41,797 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year	Amount
2026	\$ (29,893)
2027	(108,629)
2028	(112,411)
2029	(17,312)
2030	

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025, are as follows:

Valuation Date	June 30, 2025	
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Investment Rate of Return	6.85%	
Inflation Rate	2.50%	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1 - 2	9.50% Plan B
	Above 2	4.60% Plan B
Annuitant and Beneficiary Mortality	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% formortalityfemales, each adjusted using their respective male and female MP2021 scales	
Employee Mortality	PubG-2010(B) Employee Table set equal to 115% for males and 120% forfemales, adjusted using their respective male and female MP2021 scales	
Disabled Lives Mortality	PubNS-2010(B) Disabled Retiree Table set equal to 115% for malesand 120% for females with the full generational MP2021 scale	
Expected Remaining Service Lives	2 Years for Plan B	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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.

The target allocation and 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, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	53%	2.31%
Public Fixed Income	29%	1.26%
Alternatives	18%	0.78%
	<u>100%</u>	<u>4.35%</u>
Inflation		2.50%
Expected Arithmetic Norminal Return		<u>6.85%</u>

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2025. 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, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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 payment to determine the total pension liability.

Sensitivity of the Town of Benton's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Benton's proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the Town of Benton's 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 discount rate (assuming all other assumptions remain unchanged):

	<u>1.0% Decrease</u>	<u>Discount Rate</u>	<u>1.0% Increase</u>
Employer's Proportionate Share of Net Pension Liability	\$ 505,975	\$ 293,320	\$ 113,546

Changes in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2025 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 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 ail employees that are provided with pensions through the pension plan.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16- EMPLOYEE RETIREMENT SYSTEMS – Continued

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, 2025. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

Municipal Police Employees' Retirement System of Louisiana (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.

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 include 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.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16- EMPLOYEE RETIREMENT SYSTEMS - Continued

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.

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

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16- EMPLOYEE RETIREMENT SYSTEMS - Continued

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, 2025, total contributions due from employers and employees was 45.6%. 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 35.600% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 35.6% 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 38.1% and 7.5%, respectively. The Town contributions to the System for the years ended December 31, 2025, 2024, and 2023 were \$101,572, \$128,952, and \$124,488, respectively. Included in contributions for the year ended December 31, 2025 were contributions for the month of December 2025 totaling \$14,283, which were paid in 2026.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16- EMPLOYEE RETIREMENT SYSTEMS - Continued

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 \$22,534 are recognized as revenue during the year ended December 31, 2025 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, 2025, the Town reported a liability of \$524,711 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, 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, 2025, as compared to the total of all employers' contributions to the System for the year ended June 30, 2024. At June 30, 2025, the Town's proportion was .075978%, which was a decrease of .03607% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense of \$11,225, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$(38,689).

At December 31, 2025, the Town of Benton 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>
Difference Between Expected and Actual Experience	\$ 25,442	\$ 13,882
Changes in Assumptions	-	24,099
Net Difference Between Projected and Actual Earnings on Pension Plan	-	41,332
Changes in Employer's Proportion of Beginning Net Pension Liability		244,434
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	30,060	(22,984)
Contributions After the Measurement Period	71,770	
Total	<u>\$ 127,272</u>	<u>\$ 300,763</u>

The \$127,272 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2025.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year	Amount
2026	\$ (29,893)
2027	(108,629)
2028	(112,411)
2029	(17,312)
2030	

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025, are as follows:

Valuation Date	June 30, 2025	
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Investment Rate of Return	6.75%	
Inflation Rate	2.50%	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1 - 2	13.00%
	Above 2	4.75%
Annuitant and Beneficiary Mortality	For annuitants and beneficiaries, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale.	
Employee Mortality	For active members, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale.	
Disabled Lives Mortality	For disabled retirees, the Pub-2016 Public Retirement Plans Mortality Table Total Dataset for Safety Disabled Retirees was used multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale.	
Expected Remaining Service Lives	4 Years	

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2024, and review of similar law enforcement mortality. 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. The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	51 %	3.20 %
Fixed Income	35 %	1.21 %
Alternatives	14 %	1.04 %
	<u>100 %</u>	<u>5.45 %</u>
Inflation		2.67 %
Expected Arithmetic Norminal Return		<u>8.12 %</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for the year ending June 30, 2025. 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, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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 payment to determine the total pension liability.

Sensitivity of the Town of Benton's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Benton's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town of Benton's 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 discount rate (assuming all other assumptions remain unchanged):

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's Proportionate Share of Net Pension Liability	\$ 860,705	\$ 524,711	\$ 243,329

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Police Employees' Retirement System of Louisiana Audit Report at www.lampers.org.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS – Continued

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2025 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 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 amounts.

These notes are an integral part of these financial statements.

TOWN OF BENTON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING DECEMBER 31, 2025

NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS - Continued

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, 2025. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.11a.la.gov.

NOTE 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, 2025 was \$7,500.

The future inflow of resources for the years subsequent to December 31, 2025, under existing lease agreements are as follows:

Fiscal Year	Principle	Interest	Total
2026	\$ 6,212	\$ 1,288	\$ 7,500
2027	6,453	1,047	7,500
2028	6,703	797	7,500
2029	6,954	536	7,490
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>\$ 33,189</u>	<u>\$ 7,108</u>	<u>\$ 40,297</u>

NOTE 18 - COMMITMENTS AND CONTINGENCIES

Lawsuits - There are no pending lawsuits against the Town at December 31, 2025.

Grant Audit - The Town participates in certain federal, and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursements that may arise as the result of these audits is not believed to be material.

NOTE 19 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 26, 2026. This date represents the date the financial statements were available to be issued.

These notes are an integral part of these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF BENTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDING DECEMBER 31, 2025

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual Budgetary Basis	Variance
REVENUES				
Taxes:				
Ad Valorem Tax	\$ 210,000	\$ 190,000	\$ 193,570	\$ 3,570
Franchise Tax	60,000	68,000	43,008	(24,992)
Sales Tax	800,000	1,000,000	1,007,089	7,089
Gaming Tax	106,224	106,224	99,398	(6,826)
Licenses and Permits	247,100	247,100	233,128	(13,972)
Intergovernmental	242,679	40,000	38,960	(1,040)
Fines, Forfeitures, and Court Costs	60,000	40,000	68,667	28,667
Investment Earnings	5,150	22,854	106,028	83,174
Miscellaneous	30,350	129,742	180,468	50,726
Total Revenues	1,761,503	1,843,920	1,970,316	126,396
EXPENDITURES				
General Government	495,294	625,427	627,929	(2,502)
Public Safety	1,074,112	1,073,916	933,254	140,662
Public Works	955,070	230,174	108,214	121,960
Parks and Recreation	60,000	43,291	22,727	20,564
Capital Outlays	85,569	81,705	135,938	(54,233)
Total Expenditures	2,670,045	2,054,513	1,828,062	226,451
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(908,542)	(210,593)	142,254	352,847
OTHER FINANCING SOURCES (USES)				
Operating Transfer In	912,500	222,696	72,684	(150,012)
Total Other Financing Sources (Uses)	912,500	222,696	72,684	(150,012)
Net Change in Fund Balance	3,958	12,103	214,938	202,835
Total Net Position - Beginning	2,928,839	2,928,839	2,928,839	-
Total Net Position - Ending	\$ 2,932,797	\$ 2,940,942	\$ 3,143,777	\$ 202,835

Notes to the Schedule

(1) Explanation of material variances - overbudgeted general government.

TOWN OF BENTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - SALES TAX FUND
FOR THE YEAR ENDING DECEMBER 31, 2025

	Budgeted Amounts		Actual Budgetary Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Sales Tax	955,000	1,002,215	1,004,742	2,527
Intergovernmental			-	-
Investment Earnings	28,000	96,042	194,959	98,917
Total Revenues	983,000	1,098,257	1,199,701	101,444
OTHER FINANCING SOURCES (USES)				
Operating Transfer Out	(949,239)	(259,435)	(72,684)	186,751
Total Other Financing Sources (Uses)	(949,239)	(259,435)	(72,684)	186,751
Net Change in Fund Balance	33,761	838,822	1,127,017	288,195
Total Net Position - Beginning	5,135,734	5,135,734	5,135,734	-
Total Net Position - Ending	<u>\$ 5,169,495</u>	<u>\$ 5,974,556</u>	<u>\$ 6,262,751</u>	<u>\$ 288,195</u>

Note to Required Supplemental Information

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 2025 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:

	General Fund	Sales Tax Fund
Excess of Revenues and Other Sources		
Over Expenditures and Other Uses (Budget Basis)	\$ 142,254	\$ 1,199,701
Adjustments:		
Revenue Accruals - Net	8,247	10,962
Expenditure Accruals - Net	<u>5,016</u>	
Excess of Revenues and Other Sources		
Over Expenditures and Other Uses (GAAP Basis)	<u>\$ 155,517</u>	<u>\$ 1,210,663</u>

TOWN OF BENTON, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDING DECEMBER 31, 2025

Year Ended June 30	Proportion of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportion 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 of Louisiana</u>					
2025	0.075978%	\$ 524,711	\$ 410,577	127.98%	81.19%
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	280,413	341.83%	70.80%
2021	0.091914%	489,982	249,307	174.73%	84.09%
2020	0.080720%	745,995	251,536	299.23%	70.94%
2019	0.080220%	728,568	247,848	289.65%	71.01%
2018	0.842290%	712,077	261,978	287.30%	71.89%
2017	0.086750%	757,373	267,956	299.10%	70.08%
2016	0.095660%	896,576	221,827	334.60%	66.04%

Municipal Employees Retirement of Louisiana

2025	0.613520%	\$ 293,320	\$ 627,459	47.00%	83.47%
2024	0.554480%	336,444	505,101	150.13%	80.10%
2023	0.448099%	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	0.686460%	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%

**TOWN OF BENTON, LOUISIANA
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDING DECEMBER 31, 2025**

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 of Louisiana</u>					
2025	\$ 142,328	\$ 142,328	\$ -	\$ 410,577	34.67%
2024	128,952	128,952	-	371,436	34.72%
2023	124,488	124,488	-	382,181	32.57%
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%
<u>Municipal Employees Retirement of Louisiana</u>					
2025	\$ 86,057	\$ 86,057	\$ -	\$ 627,459	13.72%
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%

OTHER SUPPLEMENTAL INFORMATION

TOWN OF BENTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDING DECEMBER 31, 2025

The schedule of compensation paid to the mayor and the aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the mayor and aldermen is included in the general government expenditures of the General Fund. During the year ended December 31, 2025, the following amounts were paid to the Mayor and Aldermen:

Honorable James Friday, Mayor	\$	40,000	
Aldermen Per Diem:			
Arshundae Perry	\$	5,100	
Tammy Brunson		5,100	
Tiffany Manning		5,100	
Jackie Carr		5,100	
Terry Lawrence		5,100	25,500
Total	\$		<u>65,500</u>

**TOWN OF BENTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDING DECEMBER 31, 2025**

Agency Head Name: Honorable James Friday, Mayor

<u>Purpose</u>	
Salary	\$ 40,000
Payroll Taxes	3,060
Benefits - Insurance	10,926
Benefits - Retirement	0
Benefits - Other	0
Car Allowance	0
Vehicle Provided by Government	23,758
Per Diem	0
Reimbursements	445
Travel	0
Registration Fees	0
Conference Travel	3,001
Continuing Professional Education Fees	0
Telephone	0
Unvouchered Expenses	0
Special Meals	0
	<u>\$ 81,190</u>

TOWN OF BENTON, LOUISIANA
SCHEDULE OF REVENUES AND EXPENDITURES
LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT
AS OF DECEMBER 31, 2025

	Award No. <u>B-22-DC-22-0001</u>	Award No. <u>B-20-DW-22-001</u>
Revenues		
Reimbursement Received	\$ 36,891	\$ -
Total Revenues	\$ 36,891	-

NOTES:

The funds received for award B-20-DW-22-0001 are in conjunction with the Town of Benton's splash pad project. No revenue was received for the year ending December 31, 2025. Accounts receivable of \$6,570 at December 31, 2024 was received the year ending December 31, 2025. The award was fully funded during the year ending December 31, 2025.

The funds received for award B-22-DC-22-0001 are in conjunction with the Town of Benton's wastewater improvement project. The award was fully funded during the year ending December 31, 2025.

TOWN OF BENTON, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDING DECEMBER 31, 2025

	First Six Month Period Ended June 30, 2025	Second Six Month Period Ended December 31, 2025
Cash Presentation		
Beginning Balances of Amounts Collected	\$ -	\$ -
Add:		
Criminal Court Costs/Fees	8,443	3,633
Criminal Fines - Other	32,381	26,494
Subtotal Collections	40,824	30,127
Less: Disbursements to Governments & Nonprofits		
LDHH-THSCI	725	325
Louisiana Commission on Law Enforcement - Court Costs	445	287
Criminalistics Laboratory North Louisiana	6,860	2,880
Treasurer, State of Louisiana - CMIS	228	93
Supreme Court - Judicial College	185	48
Total Disbursements to Governments & Nonprofits	8,443	3,633
Less: Amounts Retained by Collecting Agency	32,381	26,494
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements and Retainage	40,824	30,127
Total Ending Balances Collected But Not Disbursed (Cash on Hand) \$	\$ -	\$ -

OTHER REPORTS

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

Mayor and Board of Aldermen
Town of Benton
Benton, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Benton ("Town") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 26, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town's internal control over financial reporting (internal control) to determine the 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
CONTINUED**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town's financial statements are free of 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 determination of financial statements amounts. 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 an instance 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 2025-001.

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 result 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.

Judy Moncrief CPA LLC
Shreveport, Louisiana
June 26, 2026

**TOWN OF BENTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDING DECEMBER 31, 2025**

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the general-purpose financial statements of the Town of Benton.
2. No material weakness in internal control was disclosed during the audit.
3. There was one instance of noncompliance material to the financial statements of the Town to disclose.

B. Financial Statements Findings**2025-001 – Malfeasance of Public Funds**

Finding: During 2025, it was discovered that a former bookkeeper serving the Town misused reward points from a vendor account for the purchase of personal items. After a comprehensive examination of all available evidence, it was determined that the total value items purchased amounted to \$1,834. The former bookkeeper was arrested by Bossier Parish Sheriff Office for malfeasance in June 2026 and a court date is set in September 2026. The investigation is ongoing and additional charges may be filed.

Finding Resolution Status: In Process.

Criteria: Internal control should be in place to monitor the use of all public funds and assets of the Town.

Statement of Condition: The Town did not maintain internal control over the use of reward points in a vendor account.

Cause of Condition: The Town was unaware of the reward points balance in the vendor account.

Effect of Condition: Public funds and assets were vulnerable to theft and misuse.

Questioned Costs: None.

Context: The Town should maintain internal control over all public funds and assets of the Town including reward points in vendor accounts.

Recommendation: We recommend that the Town monitor the use of reward points in vendor accounts and all other assets of the Town.

Action Taken: The Town has made sure that all vendor accounts are reviewed periodically for purchases and uses of reward points.

Response: Management agrees with the finding and is making efforts to assure that vendor accounts are not used for any other purpose than Town expenditures. The Town no longer uses vendor account credit cards.

**TOWN OF BENTON, LOUISIANA
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDING MAY 31, 2025**

2024-001. Public Bid Law

Status: Resolved.

2024-002. Budget

Status: Resolved.

**TOWN OF BENTON
BENTON, LOUISIANA**

CORRECTION ACTION PLAN
For the Year Ending December 31, 2025

Town of Benton hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

2025-001. The Town agrees with the recommendations and intends to implement them immediately.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and Board of Aldermen of Town of Benton and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Town of Benton (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2025. The Entity's management is responsible for those *CIC* areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained. The Town is in compliance with the above policies.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions.

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);

No exceptions noted.

- 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Bank reconciliations have initials of the accountant reviewing them.

- 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.

Reconciling items outstanding for more than 12 months were written off.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites and the corresponding collection locations and management's representation that the listing is complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers;
No exceptions noted.
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
No exceptions noted.
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
No exceptions noted.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
No exceptions noted.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
Coverage includes all employees during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.
No exceptions noted.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
No exceptions noted.
 - v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management's representation that the listing is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

Obtained a listing of all employees involved with non-payroll purchasing and payment functions.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

Obtained a representation of the disbursement population for the fiscal year and management's assertion that the population is complete.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

All disbursements matched the related original invoice/billing statement.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Three of the five disbursements included evidence of segregation of duties.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained complete listing of all active credit cards, debit cards, fuel cards, and P-cards and management's representation that the listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Observed there is evidence the monthly statement was reviewed and approved, in writing, by someone other than the authorized card holder.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Observed finance charges on one selected statement.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation

of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Transactions were supported by an itemized receipt.

Transactions were supported by documentation of business/public purpose

Not Applicable.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Not applicable.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

No exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained complete listing of employees and management's representation that the listing is complete. No personnel files containing authorized pay rates for the 5 employees selected to test were maintained by management.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No personnel files to observe.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Obtained a signed statement from management that stated no employee received a termination payment during the year.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) *Ethics*

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The Town has a written policy concerning ethics which requires employees to complete one hour of ethics training during the calendar year and maintains the certifications of achievement.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) *Debt Service*

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Obtained a listing of bonds outstanding and management's representation that the listing is complete. The randomly selected bond's reserve balance was underfunded compared to what the debt covenant requires.

12) *Fraud Notice*

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the

listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management has asserted that there were not any misappropriations of funds or assets.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Observe that the entity has the notice posted on its premises.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

The accountant overseeing the accounting function backs up the upon each visit to the Town.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Back up files were provided by the accountant overseeing the accounting function.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Terminated employees have been removed from the active employee list in QuickBooks.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

No cybersecurity training has been documented.

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.

Observed the sexual harassment training documentation and certifications.

- 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).

Observed the posting of Town's sexual harassment policy and complaint procedures on its 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.

Management has asserted that there have been no sexual harassment reported for the current year.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those CIC 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.

The purpose of this report is solely to describe the scope of testing performed on those *CIC* 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.

Judy Moncrief CPA LLC
Shreveport, Louisiana
June 26, 2026