TOWN OF BENTON, MAINE

ANNUAL FINANCIAL REPORT with Independent Auditors Report

For the Year Ending December 31, 2016

TOWN OF BENTON, MAINE ANNUAL FINANCIAL REPORT Year Ended December 31, 2016 Table of Contents

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Budgetary Comparison Schedule - General Fund

KEEL J. HOOD

Certified Public Accountant
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INDEPENDENT AUDITORS REPORT

January 27, 2017

Board of Selectmen Town of Benton Benton, Maine

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of Town of Benton, Maine, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility 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 Unites 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.

Auditor's Responsibility
My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town of Benton, Maine as of December 31, 2016, and the respective changes in financial position, and where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion & Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion of the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the Unites States of America require that the 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. I 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 for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtain during my audit of the basic financial statements. I 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated January 27, 2017, on my consideration of Town of Benton, Maine's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that 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 and should be considered in assessing the results of my audit.

Statement 1

TOWN OF BENTON, MAINE Statement of Net Position December 31, 2016

	Governmental
ASSETS	<u>Activities</u>
Current Assets: Cash	\$ 1,421,182
Cash-restricted	150,452
Receivables	450 244
Taxes	150,344
Liens	50,336
Accounts	4,379
Tax acquired property	605
Total Current Assets	1,777,298
Noncurrent Assets:	2,236,258
Capital assets net	2,230,230
Total Assets	4,013,556
LIABILITIES	
Current Liabilities:	
Accounts payable	30,116
Total Current Liabilities	30,116
Total Liabilities	30,116
NET POSITION Invested in capital assets,	
net of related debt	2,236,258
Restricted	170,484
Unrestricted	1,576,698
Total net position	\$ 3,983,440

TOWN OF BENTON, MAINE Statement of Activities

For the Year Ended December 31, 2016

Function/Programs	<u>Expenses</u>	Pr Charges for <u>Services</u>	ogram Revenue Operating grants and contributions	es Capital grants and contributions	Net (Expense) <u>Revenues</u>
Governmental activities:	\$	15 150			(231,685)
General government	246,835	15,150			(266,076)
Public safety	270,435	4,359	28,744		(500,001)
Public works	528,745		831		(3,555)
Social services	4,386		552		(22,344)
Leisure services	23,459	563	552		(136,174)
Health and sanitation	169,434	33,260			(2,215,791)
Special assessments	2,215,791				(65,987)
Unclassified	65,987				(100,007)
Officiassified					(0.442.612)
Total governmental activities	3,525,072	53,332	30,127	0	(3,441,613)
Not (evnenge) / revenue					<u>Governmental</u> <u>Activities</u>
Net (expense) / revenue					
General revenues:					2,567,594
Property taxes					541,672
Excise taxes					17,794
Interest and costs on taxes					
Intergovernmental:					86,388
State revenue sharing					73,290
Homestead exemption					4,245
Tree growth Veterans reimbursement					1,776 4,564
BETE					16,524
Miscellaneous					14,112
Fisheries					4,447
Unrestricted interest					4,44,
Officaci 20000 Programme					3,332,406
Total general revenues					3,332,400
7000 <u>0</u>					(109,207)
Change in Net Position	ı				(105,207)
					4,092,647
Net Position - beginning	ė.				3,983,440
Net Position - ending	\$				

Net Position - ending

\$ 3,983,440

TOWN OF BENTON, MAINE Balance Sheet Governmental Funds December 31, 2016

,					
		G	C	Total overnmental	
ASSETS		General	GC		
		Fund		Funds	
Cash	\$	1,571,634	\$	1,571,634	
Receivables		150,344		150,344	
Taxes				50,336	
Liens		50,336		4,379	
Accounts		4,379		605	
Tax acquired property	_	605			
Total Assets	٠.	1,777,298	= =	1,777,298	
TABILITIES	•				
Accounts payable		30,116		30,116	
m v 2 *4-hilidad	-	30,116		30,116	
Total Liabilities	-				
UNEARNED REVENUE		159,600		159,600	
Unearned property taxes		200,000			
• ····	_	189,716		189,716	
Total Liabilities and Unearned Revenue					
FUND BALANCES					
Fund Balances		170 404		170,484	
Committed for Capital purchases		170,484		16,136	
Assigned revenue sharing		16,136		192,641	
Expenditures		192,641			
Unassigned	_	1,208,321		1,208,321	
Total Fund Equity		1,587,582	- .	1,587,582	
Total Liabilities and Fund Equity	\$	1,777,298	<u> </u> \$		
TOCAT HIMPITAL -					
Amounts reported for governmental activities in the statement of net position are different because	he :				
	a 2.0	o not			
Capital assets used in governmental activitie	noz	enoc			
financial resources and, therefore, are not	rep	OLCEG		2,236,258	
in the funds.					
• .					
Other long-term assets are not available to p	ay I	or			
current-periods expenditures and therefore		159,600			
in the funds.		159,000			

Net assets of governmental activities

TOWN OF BENTON, MAINE Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Year Ended December 31, 2016

Intergovernmental 53,332 53 Interest 4,447 4 Miscellaneous 30,636 30 Total Revenues 3,439,566 3,439 Expenditures: Current: General government 245,190 245 Public safety 270,435 270 Public works 334,664 336 Social services 4,386 4 Leisure services 22,590 22	,761 ,390 ,332
Intergovernmental 200,390 200 Charges for services 53,332 53 Interest 4,447 4 Miscellaneous 30,636 30 Total Revenues 3,439,566 3,439 Expenditures: Current: General government 245,190 245 Public safety 270,435 270 Public works 334,664 334 Social services 4,386 4 Leisure services 22,590 23	,390 ,332
Intergovernmental 53,332 53 Interest 4,447 4 Miscellaneous 30,636 30 Total Revenues 3,439,566 3,439 Expenditures: Current: General government 245,190 245 Public safety 270,435 270 Public works 334,664 334 Social services 4,386 4 Leisure services 22,590 23	,332
Charges for services 4,447 4 Interest 30,636 30 Miscellaneous 3,439,566 3,439 Expenditures: 245,190 245 Current: 245,190 245 Public safety 270,435 270 Public works 334,664 334 Social services 4,386 4 Leisure services 22,590 23	
Interest 30,636 30 Miscellaneous 30,636 30 Total Revenues 3,439,566 3,439 Expenditures: 2 Current: 245,190 245 Public safety 270,435 270 Public works 334,664 336 Social services 4,386 4 Leisure services 22,590 23	
## Total Revenues 3,439,566 3,439 Expenditures: Current: General government 245,190 245 Public safety 270,435 270 Public works 334,664 334 Social services 4,386 4 Leisure services 22,590 22	, 636
Expenditures: Current: General government 245,190 245 Public safety 270,435 270 Public works 334,664 334 Social services 4,386 4 Leisure services 22,590 23	,636
Current: General government Public safety Public works Social services Leisure services 245,190 245 270,435 270 334,664 334 334 4,386 4 160,431	,566
General government 245,190 245 Public safety 270,435 270 Public works 334,664 334 Social services 4,386 4 Leisure services 22,590 22 160,431 160	
General government 270,435 270 Public safety 334,664 334 Public works 334,664 334 Social services 4,386 4 Leisure services 22,590 22 160,431 160,431 160	: 100
Public safety 334,664 334 Public works 334,664 334 Social services 4,386 4 Leisure services 22,590 22 160,431 160,431 160,431	
Public works Social services Leisure services 22,590 26 160 160	
Social services Leisure services 22,590 22	
Leisure services	1,386
Wealth and sanitation 169,431 1.6:	2,590
	9,431
Special assessments 2,215,791 2,215	5,791
Unclassified 65,987 69	5,987
Total Expenditures 3,328,474 3,32	8,474
Excess of Revenues Over	
	1,092
Fund Balances - beginning 1,476,490 1,47	6,490
Fund Balances - ending \$ 1,587,582 \$ 1,58	

TOWN OF BENTON, MAINE

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances

Of Governmental Funds

to the Statement of Activities

For the Fiscal Year Ended December 31, 2016

Net change in fund balances - total governmental funds \$ 111,092

Amounts reported for governmental activities in the

Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. While governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Depreciation expense

Capital asset purchases capitalized

(196,599)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred property tax revenue (23,700)

Change in Net Position of Governmental Activities \$ (109,207)

	6
ement.	

TOWN OF BENTON, MAINE Statement of Net Position Fiduciary Fund - Cemeteries

2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	
December 31, 2016	
	Private
	Purpose
	Trust Fund
ASSETS	
Cash	\$ 29,919
Cash - certificates of deposit	23,950
Investments	85,319
Total Assets	139,188
NET POSITION	
Held in Trust	139,188
Total Net Position	\$ 139,188

Statement 7

139,188

S	tatement 7
TOWN OF BENTON, MAINE	
Statement of Changes in Fiduciary N	et Position
For the Year Ended December 31,	
	Private
	Purpose
	Trust Fund
Additions:	
Investment income \$	10,233
Donations	955
Total Additions	11,188
100411	
Deductions:	
Scholarships	
Cemeteries	500
Total Deductions	500
200112	
Change in Net Position	10,688
Citating Control of the Control of t	
Net Position - beginning	128,500

Net Position - ending

TOWN OF BENTON, MAINE Notes to Combined Financial Statements December 31, 2016

1. Summary of Significant Accounting Policies

The Town of Benton was incorporated under the laws of the State of Maine. The Town operates under the Board of Selectmen form of government.

The Town's financial statements are prepared in accordance 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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. Reporting Entity

In evaluating how to define the reporting entity, financial reporting purposes, management has considered all The decision to include a potential component units. potential component unit is made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset

1. Summary of Significant Accounting Policies, continued

by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses, permits, fees, excise taxes and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest income and charges for services are recorded as revenues when earned, since they are measurable and available.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are

Summary of Significant Accounting Policies, continued

met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

The Town reports the following major governmental fund:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the Town reports the following fund types:

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

1. Summary of Significant Accounting Policies, continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives ranging from 3 to 50 years.

E. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, if material, are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

F. Short-term Interfund Receivables/Payables

During the course of operation, numerous transactions occur between individual funds primarily for cash flow purposes. These interfund receivables and payables are classified as "due from other funds or due to other funds" on the balance sheets.

G. Fund Equity

Committed fund balance indicates that a portion of the fund balance is constrained for a specific future use, and is indicated by the title of each purpose listed in the balance sheet. Committed fund balances are voted on at Town Meetings. Assigned fund balances indicate amounts which either are intended to be carried forward by law or contractual agreement, or which the Board of Selectmen has voted to carry forward.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Budgetary Accounting

A budget is formally adopted for the General Fund, only, through the passage of a Town warrant, and is prepared on a basis consistent with generally accepted accounting principles.

Commitments for goods and services at the end of the year are recorded as encumbrances for budgetary control. These encumbrances lapse at the end of the year and become part of the following year's budgetary amounts. These balances are recorded as Designated for Subsequent Year's Expenditures at December 31, 2016. In the General Fund, the level of control (level at which expenditures may not exceed budget and applied revenues) is the accounts within each department. Generally, unexpended appropriations are lapsed at the close of the year, as are unexpended revenues. Once adopted, the budget can only be amended by the townspeople at a special Town meeting.

3. Deposits and Investments

The Town's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk.

At year end, the Town's carrying amount of deposits was \$1,625,503. The bank balances for all funds totaled \$1,628,434. Custodial credit risk is the risk that, in the event of a bank failure the District's deposits might not be recovered. As of December 31, 2016, none of the Town's deposits were uninsured and uncollateralized.

4. Property Tax

Property taxes for the year were committed on July 18, 2016, on the assessed value listed as of April 1, 2016, for all taxable real and personal property located in the Town. Payment of taxes was due on September 30, 2016 with interest at 7% on all tax bills unpaid as of that date.

Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2016 upon which the levy for the year ended December 31, 2016, was based, was \$187,512,100. This assessed value was 100% of the estimated market value.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

5. Operating Property

Operating and nonoperating property are recorded at cost or, in the case of contributed property, at the fair market value at the date of acquisition. Depreciation is computed on the straight line method

based upon the estimated useful lives of the assets as follows:

Governmental Activities:	Balance January 1 <u>2016</u>	Increases	Decreases	Balance December 31 <u>2016</u>
Assets not being deprecia	ted			a 46 600
Land \$	46,600	\$	3	\$ 46,600
Assets being depreciated				220 120
Buildings	278,170			278,170
Infrastructure	7,585,803			7,585,803
	7,910,573	0	0	7,910,573
Less accumulated deprecia	tion			
Buildings	141,782	6,954		148,736
Infrastructure	5,335,934	189,645		5,525,579
	5,477,716	196,599	0	5,674,315
Capital Assets, net \$	2,432,857	\$ (196,599)	\$0	\$ 2,236,258
Depreciation Expense:				
General government	\$	1,645		
Public works		194,085		
		869		
Leisure services				
	\$	196,599		

6. Debt Limitations

In accordance with 30-A MRSA, Section 5702, as amended, no municipality shall incur debt for specified purposes in excess of 15 percent of the state valuation of such municipality. At December 31, 2016, the Town was in compliance with these regulations.

7. Undesignated General Fund Fund Equity

The undesignated General Fund fund equity reflected a change for the current year as follows:

Balance - January 1, 2016	\$ 1,309,635	
Increase (Decrease):		
Actual over budgeted revenues	255,072	
Actual under budgeted expenditures	10,166	
Budgeted utilization of fund equity	(366,552)	
Net Increase (Decrease)	(101,314))
Balance - December 31, 2012	\$ 1,208,321	==

8. Reserved Fund Equity

The Reserves for Capital Purposes for the year ended December 31, 2016 consists of the following:

Capital	Equipment		170,484
		- \$_	170,484

9. Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the past several

years the Town has obtained coverage from the Maine Municipal Association risk pool. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. In determining claims, events that might create claims but for which none have been reported, are considered.

The Town's Management estimates that the amount of actual or potential claims against the Town as of December 31, 2016, are unknown. Therefore, the General Fund contains no provision for estimated claims.

10. Economic Dependency

The Town of Benton is economically dependent upon FLP Energy Maine. Approximately \$784,308 or 30.53% of the Town's annual tax commitment was assessed to FLP Energy Maine for the year ended December 31, 2016.

11. Subsequent Events

The town's management has concluded that no events that occurred prior to December 31, 2016 and before January 27, 2017 require disclosure as subsequent events.

TOWN OF BENTON, MAINE Budget Comparison Schedule General Fund

For the year ended December 31, 2016

For the	For the year ended December 31, 2016 Budgeted Amounts				Variance with final budget positive		
		Original	\$	<u>Final</u>	\$	<u>Actual</u>	(negative)
Revenues:	\$	0.045.500	P	2,947,766	Y	3,150,761	202,995
Taxes		2,947,766		191,164		200,390	9,226
Intergovernmental		191,164		791,104		30,636	30,636
Miscellaneous						4,447	4,447
Interest		35,800		35,800		53,332	17,532
Charges for services		35,600		33,000		30,	,
Total revenues		3,174,730		3,174,730	-	3,439,566	264,836
Expenditures: Current:							
General government		261,583		261,583		245,190	16,393
Public safety		278,496		278,496		270,435	8,061
Public works		373,594		373,594		334,664	38,930
Human services		180,800		180,800		169,431	11,369
Leisure services		21,500		21,500		22,590	(1,090)
Social services		11,000		11,000		4,386	6,614
Special assessments		2,406,364		2,406,364		2,215,791	190,573
Unclassified		73,135		73,135		65,987	7,148
Total expenditures	-	3,606,472		3,606,472		3,328,474	277,998
Excess (deficiency) of revenues over (under expenditures	-	(431,742	<u>) </u>	(431,742)		111,092	542,834
Fund Balance - beginning		1,476,490		1,476,490		1,476,490	. 0
Fund Balance - beginning Fund Balance - ending	\$	1,044,748		1,044,748	\$	1,587,582	\$ 542,834
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

January 27, 2017

Board of Selectmen Town of Benton, Maine

I have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Town of Benton, Maine as of and for the year ended December 31, 2016, which collectively comprise Town of Benton, Maine's basic financial statements and have issued my report thereon dated January 27, 2017. I conducted my audits 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.

Internal Control over Financial Reporting

In planning and performing my audits, I considered Town of Benton, Maine's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Benton, Maine's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Town of Benton, Maine's internal control over financial reporting.

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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Benton, Maine's financial statements are free of material misstatement, I 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audits, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Selectmen, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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