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INDEPENDENT AUDITORS REPORT

February 7, 2018

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, 2017, 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 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.

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, 2017, 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 United 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 February 7, 2018, 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, 2017

ASSETS	Governmental <u>Activities</u>
Current Assets:	
Cash	\$ 1,580,223
Cash-restricted	183,962
Receivables	
Taxes	163,178
Liens	44,323
Accounts	15,287
Tax acquired property	910
Total Current Assets	<u>1,987,883</u>
Noncurrent Assets:	
Capital assets net	2,039,659
Total Assets	<u>4,027,542</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	36,894
Total Current Liabilities	<u>36,894</u>
Total Liabilities	<u>36,894</u>
NET POSITION	
Invested in capital assets, net of related debt	2,039,659
Restricted	183,962
Unrestricted	1,767,027
Total net position	<u>\$ 3,990,648</u>

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF BENTON, MAINE
Statement of Activities
For the Year Ended December 31, 2017

Statement 2

Function/Programs	<u>Expenses</u>	Program Revenues			Net (Expense) <u>Revenues</u>
		Charges for <u>Services</u>	Operating grants and <u>contributions</u>	Capital grants and <u>contributions</u>	
Governmental activities:	\$				
General government	244,003	14,704			(229,299)
Public safety	280,208	5,980			(274,228)
Public works	564,709		29,200		(535,509)
Social services	725				(725)
Leisure services	35,525	583	344		(34,598)
Health and sanitation	140,936	41,449			(99,487)
Special assessments	2,305,919				(2,305,919)
Unclassified	58,132				(58,132)
Total governmental activities	3,630,157	62,716	29,544	0	(3,537,897)
					<u>Governmental</u>
					<u>Activities</u>
Net (expense) / revenue					
General revenues:					
Property taxes					2,679,386
Excise taxes					532,439
Interest and costs on taxes					14,969
Intergovernmental:					
State revenue sharing					89,287
Homestead exemption					96,764
Tree growth					3,563
Veterans reimbursement					1,994
BETE					8,221
Miscellaneous					87,414
Fisheries					25,661
Unrestricted interest					5,405
Total general revenues					3,545,103
Change in Net Position					7,206
Net Position - beginning					3,983,442
Net Position - ending	\$				3,990,648

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF BENTON, MAINE
Balance Sheet
Governmental Funds
December 31, 2017

Statement 3

ASSETS	General Fund	Total Governmental Funds
Cash	\$ 1,764,185	\$ 1,764,185
Receivables		
Taxes	163,178	163,178
Liens	44,323	44,323
Accounts	15,287	15,287
Tax acquired property	910	910
Total Assets	<u>1,987,883</u>	<u>1,987,883</u>
LIABILITIES		
Accounts payable	36,894	36,894
Total Liabilities	<u>36,894</u>	<u>36,894</u>
UNEARNED REVENUE		
Unearned property taxes	159,600	159,600
Total Liabilities and Unearned Revenue	<u>196,494</u>	<u>196,494</u>
FUND BALANCES		
Fund Balances		
Committed for Capital purchases	183,962	183,962
Assigned revenue sharing	20,423	20,423
Expenditures	259,912	259,912
Unassigned	1,327,092	1,327,092
Total Fund Equity	<u>1,791,389</u>	<u>1,791,389</u>
Total Liabilities and Fund Equity	<u>\$ 1,987,883</u>	<u>\$ 1,987,883</u>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

2,039,659

Other long-term assets are not available to pay for current-periods expenditures and therefore are deferred in the funds.

159,600

Net assets of governmental activities

\$ 3,990,648

The accompanying notes to the financial statements are an integral part of this statement.

Statement 4

TOWN OF BENTON, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues:		
Taxes	\$ 3,226,795	\$ 3,226,795
Intergovernmental	229,373	229,373
Charges for services	62,716	62,716
Interest	5,405	5,405
Miscellaneous	113,075	113,075
	<hr/>	<hr/>
Total Revenues	3,637,364	3,637,364
Expenditures:		
Current:		
General government	242,358	242,358
Public safety	280,208	280,208
Public works	370,625	370,625
Social services	725	725
Leisure services	34,656	34,656
Health and sanitation	140,936	140,936
Special assessments	2,305,919	2,305,919
Unclassified	58,132	58,132
	<hr/>	<hr/>
Total Expenditures	3,433,559	3,433,559
 Excess of Revenues Over (Under) Expenditures	 <hr/> 203,805 <hr/>	 <hr/> 203,805 <hr/>
 Fund Balances - beginning	 <hr/> 1,587,584	 <hr/> 1,587,584
Fund Balances - ending	<hr/> \$ 1,791,389	<hr/> \$ 1,791,389 <hr/>

The accompanying notes to the financial statements are an integral part of this statement.

TOWN OF BENTON, MAINE
Budget Comparison Schedule
General Fund
For the year ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with final budget positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$	\$	\$	\$
Taxes	2,905,233	3,096,873	3,226,795	129,922
Intergovernmental	200,335	200,335	229,373	29,038
Miscellaneous			113,075	113,075
Interest	500	500	5,405	4,905
Charges for services		48,090	62,716	14,626
Total revenues	<u>3,106,068</u>	<u>3,345,798</u>	<u>3,637,364</u>	<u>291,566</u>
Expenditures:				
Current:				
General government	226,547	269,562	242,358	27,204
Public safety	296,489	296,489	280,208	16,281
Public works	191,000	382,641	370,625	12,016
Human services	118,000	166,090	140,936	25,154
Leisure services	40,105	40,105	34,656	5,449
Social services	11,000	11,000	725	10,275
Special assessments	2,572,753	2,572,753	2,305,919	266,834
Unclassified	56,976	56,976	58,132	(1,156)
Total expenditures	<u>3,512,870</u>	<u>3,795,616</u>	<u>3,433,559</u>	<u>362,057</u>
Excess (deficiency) of revenues over (under expenditures)	<u>(406,802)</u>	<u>(449,818)</u>	<u>203,805</u>	<u>653,623</u>
Fund Balance - beginning	1,587,584	1,587,584	1,587,584	0
Fund Balance - ending	<u>\$ 1,180,782</u>	<u>\$ 1,137,766</u>	<u>\$ 1,791,389</u>	<u>\$ 653,623</u>

The accompanying notes to the financial statements are an integral part of this statement.