

**Benton Municipal Light and Water Works  
City of Benton, State of Arkansas**

**Financial Statements  
and Supplementary Information**

**December 31, 2022 and 2021**

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
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December 31, 2022 and 2021

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# BENTON UTILITIES

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## Management's Discussion and Analysis

The management's discussion and analysis of Benton Municipal Light and Water Works' (Utility System) financial performance provides an overview of the Utility System's financial activities for the year ended December 31, 2022. Please read it in conjunction with the Utility System's financial statements, which are presented on pages 8 through 19.

### Required Financial Statements

The financial statements of the Utility System report information utilizing the full accrual basis of accounting. The financial statements conform to accounting principles generally accepted in the United States. The balance sheets include information of the Utility System's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Utility System's creditors (liabilities). The statements of revenues, expenses and changes in net position identify the Utility System's revenues and expenses for the years ended December 31, 2022 and 2021. This statement provides information on the Utility System's operations over the past two years and can be used to determine whether the Utility System has recovered all of its costs through user fees and other charges. The third financial statement is the statement of cash flows. This statement provides information on the Utility System's cash receipts, cash payments, and changes in cash resulting from operations, investments, and financing activities. From the statements of cash flows, the reader can obtain comparative information on the source and use of cash and the change in the cash balance for each of the last two years.

### 2022 Financial Highlights

- The Utility's total revenues decreased by \$37,856 or .10% from \$39,073,857 at December 31, 2021, to \$39,036,001 at December 31, 2022. The decrease in revenues is in great part due to lower utility rates charged to customers in conjunction with the franchise fee expense changing to a pass-through charge to the customer instead of an expense to the Utility
- The Utility's total expenses increased by \$3,184,801 or 9.38% from \$33,968,171 at December 31, 2021, to \$37,152,972 at December 31, 2022. The increase in expenses is in great part due to an increase in power costs.
- The Utility's total assets and deferred outflows of resources decreased by \$866,605 or .69% from \$125,441,831 at December 31, 2021, to \$124,575,226 at December 31, 2022. The decrease is due in great part to a decrease in cash and cash equivalents.

### Financial Analysis of the Utility System

The statements of net position (condensed balance sheets) and condensed statements of revenues, expenses and changes in net position provide an indication of the Utility System's financial condition. The Utility System's net position reflects the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition.

Investment income decreased by 320.26% or \$70,669 due to a decrease of interest income on board designated funds.

### Condensed Statements of Net Position

|                                    | 2022                  | 2021                  | 2020                  |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Current Assets                     | \$ 18,513,371         | \$ 24,969,571         | \$ 23,830,769         |
| Restricted Assets                  | 4,670,377             | 4,545,326             | 6,701,520             |
| Capital Assets, Net                | 98,489,027            | 93,187,688            | 87,149,583            |
| Deferred Outflows                  | 2,902,451             | 2,739,246             | 3,375,624             |
| Total Assets and Deferred Outflows | <u>\$ 124,575,226</u> | <u>\$ 125,441,831</u> | <u>\$ 121,057,496</u> |
| Current Liabilities                | \$ 9,867,993          | \$ 10,479,076         | \$ 9,407,127          |
| Long-Term Liabilities              | 37,332,083            | 40,756,342            | 45,766,357            |
| Total Liabilities                  | <u>47,200,076</u>     | <u>51,235,418</u>     | <u>55,173,484</u>     |
| Deferred Inflows                   | 2,506,910             | 2,531,031             | 2,031,133             |
| Net Investment in Capital Assets   | 59,009,702            | 50,878,365            | 44,192,959            |
| Restricted                         | 3,976,559             | 3,767,315             | 3,644,706             |
| Unrestricted                       | 11,881,979            | 17,029,702            | 16,015,214            |
| Total Net Position                 | <u>74,868,240</u>     | <u>71,675,382</u>     | <u>63,852,879</u>     |
| Total Liabilities and Net Position | <u>\$ 124,575,226</u> | <u>\$ 125,441,831</u> | <u>\$ 121,057,496</u> |

Total net position increased by \$3,192,858 from \$71,675,382 at December 31, 2021, to \$74,868,240 at December 31, 2022, an increase of 4.45%. Current liabilities decreased by \$611,083 or 5.83%.

### Condensed Statements of Revenues, Expenses, and Changes in Net Position

|  | 2022                 | 2021                 | 2020                 |
|--|----------------------|----------------------|----------------------|
| Operating Revenues:                    |                      |                      |                      |
| Services Fees and Penalties            | \$ 38,769,011        | \$ 38,814,814        | \$ 36,942,553        |
| Other Revenue                          | 315,593              | 236,977              | 205,364              |
| Total Operating Revenues               | <u>39,084,604</u>    | <u>39,051,791</u>    | <u>37,147,917</u>    |
| Investment Income                      | (48,603)             | 22,066               | 141,063              |
| Total Revenue                          | <u>39,036,001</u>    | <u>39,073,857</u>    | <u>37,288,980</u>    |
| Operating Expenses:                    |                      |                      |                      |
| Power Costs                            | 16,663,973           | 13,742,483           | 12,842,134           |
| Plant Production Expenses              | 3,962,090            | 2,788,036            | 2,238,567            |
| General and Distribution Expenses      | 6,381,123            | 5,631,818            | 5,276,295            |
| Administrative Expenses                | 2,662,018            | 2,591,546            | 2,421,280            |
| Depreciation Expense                   | 5,818,220            | 5,613,053            | 5,277,452            |
| Franchise Fees                         | 163,436              | 2,129,421            | 2,031,073            |
| Total Operating Expenses               | <u>35,650,860</u>    | <u>32,496,357</u>    | <u>30,086,801</u>    |
| Issuance Cost of Bonds                 |                      |                      | 207,620              |
| Interest Expense                       | 1,502,112            | 1,471,814            | 1,219,071            |
| Total Expenses                         | <u>37,152,972</u>    | <u>33,968,171</u>    | <u>31,513,492</u>    |
| Net Income (Loss) Before Contributions | <u>1,883,029</u>     | <u>5,105,686</u>     | <u>5,775,488</u>     |
| Capital Contributions                  | 1,309,829            | 2,716,817            | 1,718,784            |
| Change in Net Position                 | <u>3,192,858</u>     | <u>7,822,503</u>     | <u>7,494,272</u>     |
| Net Position at Beginning of Year      | <u>71,675,382</u>    | <u>63,852,879</u>    | <u>56,358,607</u>    |
| Net Position at End of Year            | <u>\$ 74,868,240</u> | <u>\$ 71,675,382</u> | <u>\$ 63,852,879</u> |

Total revenues from services, fees and penalties reflect a decrease from 2021 to 2022. The decrease amount was \$45,803 or .12%. The decrease in revenues is in great part due to lower utility rates charged to customers in conjunction with the franchise fee expense changing to a pass-through charge to the customer instead of an expense to the Utility.

Net income of \$1,883,029 before capital contributions, transfers, and extraordinary items, plus capital contributions of \$1,309,829 were the two items that resulted in an increase of \$3,192,858 in net position for the year ending December 31, 2022.

### **Capital Assets**

At December 31, 2022, the Utility had \$59,009,702 net invested in capital assets. This investment in capital assets includes land, buildings, vehicles, equipment, utility infrastructure, construction materials and construction in progress. The total increase in the Utility's investment in capital assets for the year 2022 was \$8,131,337 or 15.98%, due to an increase in service facilities and equipment. A schedule summary showing the changes to the capital assets during the year 2022 can be found in Note 5 on page 14 of this audit report.

### **Debt Administration**

At December 31, 2022, the Utility had \$39,165,934 in outstanding revenue bonds payable compared to \$42,223,338 outstanding at December 31, 2021. This decrease of \$3,057,404 is the amount of bonds retired (paid off) during the year. A schedule summary showing the changes to the revenue bonds payable during the year 2022 can be found in Note 6 on page 15 of this audit report. An accumulated compensable (accrued salary, vacation and sick leave) balance of \$506,953 at December 31, 2022, is an increase of \$40,048 over the \$466,905 accrued as of December 31, 2021. A schedule summary showing changes to the accumulated compensated absences can be found in Note 1G on page 12 of this audit report.

### **Economic Factors and Next Year's Budget and Rates**

The new Electric Wholesale Power Contract started June 1, 2022, resulting in a 37% increase in wholesale power costs through May 2025.

Benton Utilities continues to strive to have rates in place that adequately fund each system (electric, water, and sewer), remain competitive in the marketplace, and fairly distribute the costs of the systems to rate payers in customer charges (fixed costs) and fuel costs (variable costs). With this goal in mind, Benton Utilities entered into a Cost of Service Study with Utility Financial Solutions, LLC (UFS) of Grand Haven, MI. This study was completed and presented to the Public Utility Commission and City Council in November 2022. It was concluded that the Electric Utility would need a minimal rate increase to offset the increase in wholesale power costs and Water and Wastewater Utilities had rate structures that could not sustain them. The City Council approved rate increases, effective May 1, 2023, for all three Utility Departments.

Electric Utility rate increases were primarily in the monthly service availability charge. The monthly service availability charge increases were: \$2.10 for residential, \$1.00 for small general service (non-metered demand), \$4.00 for small general service (metered demand), \$11.10 for large general service, and \$9.51 for large power. The energy charge per kWh increases were: \$0.000530 for small general service (non-metered demand); \$0.000870 for small general service (metered demand); \$0.001540 for large general service, and \$0.000180 for large power. There were no changes to demand charges.

Rate increases for the Water Utility included an increase of \$0.54 usage rate charge per thousand gallons. Increases were also made to the monthly meter charge for each rate class. In addition, a new rate structure for water customers outside the city limits was established.

The Wastewater Utility rate structure was amended to include a monthly meter charge based upon the water meter size of the customer and to lower the gallons included in the base charge from 2,000 to 1,000 gallons. There was no change to the usage rate charge. Like the Water Utility an additional rate structure was established for customers outside of the city limits.

Additional yearly increases will be effective on January 1<sup>st</sup> of subsequent years. Having each utility (Electric, Water, and Wastewater) become solvent and not dependent on the others, is essential for the success of future projects to meet the needs of the citizens of Benton.

Significant progress was made on several construction projects during 2022. These projects either began or were finished during the year:

- Pumps at Saline River Intake
- Downtown Water Study
- Exit 114 Water Line
- Frendall Water Tank Repaint
- Highway 5 Utilities Relocation
- Reservoir Repairs
- Water Plant Upgrades/Repairs
- Clearwell Improvements
- Distribution Line Replacements

#### **Contacting the Utility's Financial Management**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Utility's finances. If you have any questions about this report or need additional information, contact the Utility CFO, Attn: Jimmy Garrett, at 1827 Dale Avenue, Benton, AR 72015, call (501) 776-8074, or e-mail at [jgarrett@bentonutilities.com](mailto:jgarrett@bentonutilities.com)



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Jimmy Garrett, CPA, CFF  
Chief Financial Officer  
Benton Utilities



## **Yoakum, Lovell & Co., PLC**

CERTIFIED PUBLIC ACCOUNTANTS

### **Independent Auditors' Report**

Honorable Mayor and Benton Public Utility Commission  
Benton Municipal Light and Water Works  
City of Benton, State of Arkansas

#### **Opinions**

We have audited the accompanying financial statements of the Benton Municipal Light and Water Works of the City of Benton, State of Arkansas, as of and for the years ended December 31, 2022 and 2021, and the related notes to the 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 financial position of Benton Municipal Light and Water Works of the City of Benton, State of Arkansas as of December 31, 2022 and 2021, and the changes in financial position and cash flows for the years 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Benton Municipal Light and Water Works of the City of Benton, State of Arkansas 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.

#### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Benton Municipal Light and Water Works of the City of Benton, State of Arkansas and do not purport to, and do not present fairly the financial position of the City of Benton, State of Arkansas, as of December 31, 2022 and 2021, the changes in its financial position or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### **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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 Benton Municipal Light and Water Works of the City of Benton, State of Arkansas' 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 Benton Municipal Light and Water Works of the City of Benton, State of Arkansas' 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**

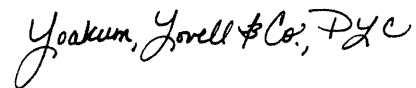
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of changes in the net pension liability and related ratios and schedule of contributions for Benton Utilities employees' pension plan on pages 1 through 4 and pages 31 through 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 our 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 us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information on pages 20 through 30 is presented for purposes of additional analysis and is



not a required part of the basic financial statements. 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. 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 the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Yoakum, Lovell & Co., P.C." in a cursive script.

Certified Public Accountants

Benton, Arkansas  
May 26, 2023

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Statements of Net Position  
December 31, 2022 and 2021

| <b>Assets and Deferred Outflows of Resources</b>         | <u>2022</u>           | <u>2021</u>           |
|--|-----------------------|-----------------------|
| Current Assets   |                       |                       |
| Cash and Cash Equivalents                                | \$ 3,880,553          | \$ 10,541,124         |
| Utility Billings, Net of Allowance<br>for Uncollectibles | 4,347,248             | 4,022,758             |
| Accounts Receivable                                      | 292,215               | 44,355                |
| Prepaid Expenses   | 145,998               | 511,645               |
| Supplies Inventory                                       | 21,790                | 19,223                |
| Board Designated Funds                                   | 9,825,567             | 9,830,466             |
| Total Current Assets                                     | <u>18,513,371</u>     | <u>24,969,571</u>     |
| Non-Current Assets                                       |                       |                       |
| Restricted Funds   | 4,463,824             | 4,545,326             |
| Net Pension Asset  | 206,553               |                       |
| Capital Assets:  |                       |                       |
| Total Plant, Property and Equipment                      | 220,330,507           | 209,210,948           |
| Less Accumulated Depreciation                            | (121,841,480)         | (116,023,260)         |
| Total Non-Current Assets                                 | <u>103,159,404</u>    | <u>97,733,014</u>     |
| Deferred Outflows of Resources                           |                       |                       |
| Deferred Pension Outflows                                | 1,892,739             | 1,590,139             |
| Deferred Loss on Early Retirement of Debt                | 1,009,712             | 1,149,107             |
| Total Deferred Outflows of Resources                     | <u>2,902,451</u>      | <u>2,739,246</u>      |
| Total Assets and Deferred Outflows of Resources          | <u>\$ 124,575,226</u> | <u>\$ 125,441,831</u> |

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

**Liabilities, Deferred Inflows of Resources and Net Position**

|   | 2022                  | 2021                  |
|---|-----------------------|-----------------------|
| Current Liabilities   |                       |                       |
| Accounts Payable  | \$ 2,896,763          | \$ 3,651,374          |
| Customer Overpayments   | 16,374                | 7,920                 |
| Meter Deposits  | 2,578,808             | 2,435,396             |
| Accrued Compensation  | 506,953               | 466,905               |
| Sales Tax Payable   | 83,055                | 59,856                |
| Accrued Interest Payable  | 487,265               | 525,239               |
| Due to City Funds   | 141,821               | 274,982               |
| Bonds Payable - Current Maturities                                | 3,156,954             | 3,057,404             |
| Total Current Liabilities   | <u>9,867,993</u>      | <u>10,479,076</u>     |
| Non-Current Liabilities   |                       |                       |
| Revenue Bonds Payable, Less                                       |                       |                       |
| Current Maturities  | 36,008,980            | 39,165,934            |
| Premium on Revenue Bonds  | 1,323,103             | 1,489,236             |
| Discount on Revenue Bonds   |                       | (1,372)               |
| Net Pension Liability   |                       | 102,544               |
| Total Non-Current Liabilities                                     | <u>37,332,083</u>     | <u>40,756,342</u>     |
| Total Liabilities   | <u>47,200,076</u>     | <u>51,235,418</u>     |
| Deferred Inflows of Resources                                     |                       |                       |
| Deferred Pension Inflows  | <u>2,506,910</u>      | <u>2,531,031</u>      |
| Net Position  |                       |                       |
| Net Investment in Capital Assets                                  | 59,009,702            | 50,878,365            |
| Restricted for Debt Service                                       | 3,013,502             | 2,959,188             |
| Restricted for Capital Assets Replacement                         | 963,057               | 808,127               |
| Unrestricted  | 11,881,979            | 17,029,702            |
| Total Net Position  | <u>74,868,240</u>     | <u>71,675,382</u>     |
| Total Liabilities, Deferred Inflows of Resources and Net Position | <u>\$ 124,575,226</u> | <u>\$ 125,441,831</u> |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended December 31, 2022 and 2021

|   | 2022                        | 2021                        |
|---|-----------------------------|-----------------------------|
| Operating Revenues                      |                             |                             |
| Charges for Service                     | \$ 37,625,063               | \$ 37,566,503               |
| Service Charges and Connection Fees     | 932,516                     | 988,537                     |
| Penalties                               | 211,432                     | 259,774                     |
| Other Income                            | 315,593                     | 236,977                     |
| Total Operating Revenues                | <u>39,084,604</u>           | <u>39,051,791</u>           |
| Operating Expenses                      |                             |                             |
| Power Costs                             | 16,663,973                  | 13,742,483                  |
| Plant Production Expenses               | 3,962,090                   | 2,788,036                   |
| General and Distribution Expenses       | 6,381,123                   | 5,631,818                   |
| Administrative Expenses                 | 2,662,018                   | 2,591,546                   |
| Depreciation                            | 5,818,220                   | 5,613,053                   |
| Franchise Fees                          | 163,436                     | 2,129,421                   |
| Total Operating Expenses                | <u>35,650,860</u>           | <u>32,496,357</u>           |
| Operating Income                        | <u>3,433,744</u>            | <u>6,555,434</u>            |
| Non-Operating Revenues (Expenses)       |                             |                             |
| Investment Income                       | (48,603)                    | 22,066                      |
| Interest Expense                        | (1,502,112)                 | (1,471,814)                 |
| Total Non-Operating Revenues (Expenses) | <u>(1,550,715)</u>          | <u>(1,449,748)</u>          |
| Net Income Before Contributions         | 1,883,029                   | 5,105,686                   |
| Capital Contributions                   | <u>1,309,829</u>            | <u>2,716,817</u>            |
| Changes in Net Position                 | 3,192,858                   | 7,822,503                   |
| Total Net Position - Beginning of Year  | <u>71,675,382</u>           | <u>63,852,879</u>           |
| Total Net Position - End of Year        | <u><u>\$ 74,868,240</u></u> | <u><u>\$ 71,675,382</u></u> |

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

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

|  | 2022                | 2021                 |
|--|---------------------|----------------------|
| Cash Flows from Operating Activities                         |                     |                      |
| Receipts from Customers                                      | \$ 38,476,174       | \$ 39,517,406        |
| Payments to Suppliers  | (23,774,070)        | (17,814,761)         |
| Payments to Employees  | (6,856,836)         | (6,722,158)          |
| Payments to City for Franchise Fees                          | (296,597)           | (2,147,244)          |
| Other Receipts   | 67,733              | 737,448              |
| Net Cash Provided by Operating Activities                    | <u>7,616,404</u>    | <u>13,570,691</u>    |
| Cash Flow from Non-Capital Financing Activities              |                     |                      |
| Transfers (to) from Board Designated Funds                   | 4,899               | (684,305)            |
| Net Cash Provided (Used) by Non-Capital Financing Activities | <u>4,899</u>        | <u>(684,305)</u>     |
| Cash Flows from Capital and Related Financing                |                     |                      |
| Purchases of Capital Assets                                  | (10,493,991)        | (9,670,735)          |
| Principal Paid On Capital Debt                               | (3,057,404)         | (2,849,712)          |
| Interest Paid On Capital Debt                                | (1,565,452)         | (1,669,233)          |
| Capital Contributions  | 658,662             | 366,087              |
| Transfers from Restricted Accounts                           | 224,914             | 2,203,184            |
| Net Cash Used by Capital and Related Financing               | <u>(14,233,271)</u> | <u>(11,620,409)</u>  |
| Cash Flows from Investing Activities                         |                     |                      |
| Interest Received  | (48,603)            | 22,066               |
| Net Cash Provided (Used) by Investing Activities             | <u>(48,603)</u>     | <u>22,066</u>        |
| Net Change in Cash and Cash Equivalents                      | (6,660,571)         | 1,288,043            |
| Cash and Cash Equivalents - Beginning of Year                | 10,541,124          | 9,253,081            |
| Cash and Cash Equivalents - End of Year                      | <u>\$ 3,880,553</u> | <u>\$ 10,541,124</u> |
| Reconciliation of Operating Income to Net Cash               |                     |                      |
| Provided by Operating Activities:                            |                     |                      |
| Operating Income (Loss)                                      | \$ 3,433,744        | \$ 6,555,434         |
| Items Not Requiring Cash:                                    |                     |                      |
| Depreciation   | 5,818,220           | 5,613,053            |
| Changes in Assets and Liabilities:                           |                     |                      |
| Receivables, Net   | (563,896)           | 1,224,029            |
| Prepays  | 365,647             | (392,451)            |
| Inventories  | (2,567)             | (418)                |
| Accounts Payable   | (862,173)           | 1,306,675            |
| Accrued Expenses   | 63,247              | 44,474               |
| Net Pension Liability  | (635,818)           | (780,105)            |
| Net Cash Provided by Operating Activities                    | <u>\$ 7,616,404</u> | <u>\$ 13,570,691</u> |

Non-Cash Capital Financing Activities:

Capital assets of \$651,167 and \$2,350,730 were acquired through noncash contributions from developers for the years ended December 31, 2022 and 2021, respectively.

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

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Notes to the Financial Statements

**Note 1: Summary of Significant Accounting Policies**

The financial statements of the Benton Municipal Light and Water Works have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant of the Benton Municipal Light and Water Works' accounting policies are described below:

- A. Reporting Entity** - The Benton Municipal Light and Water Works (the Utilities) is a part of the City of Benton, State of Arkansas (the City). The City is governed by the Mayor Council form of government which operated the utility system in prior years through January 1, 2006. Effective February 1, 2006, a Utility Commission was created and granted full power to manage, operate, control, supervise, improve, extend, maintain, and contract concerning the utility system, subject to the authorizing legislation and certain conditions set from time to time by the City Council. The statements reflect the results of operations of three departments: light, water and waste water. Material transactions between the departments have been eliminated.
- B. Basis of Accounting** - The Benton Municipal Light and Water Works is a proprietary enterprise type fund. The financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.
- C. Cash and Cash Equivalents** - For purposes of the statements of cash flows, the Utilities considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- D. Cash Deposits** - All cash deposits were insured or collateralized with securities held by the pledging financial institution, trust department, or by its agent in the City's name as of the balance sheet date.
- E. Inventories** - Inventories are stated at the lower of cost or market on a first-in, first-out method.
- F. Board Designated Funds** - The Utilities Board has designated that certain funds are to be deposited into separate accounts and are to be used for certain designated purposes. The funds may only be spent with the approval of the Utilities Board.
- G. Accumulated Compensated Absences** - It is the Utilities' policy to permit employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from the Utilities' services. It is the Utilities' policy to pay up to a maximum of 90 accumulated sick days to employees who retire from the Utilities. The following is a schedule of accrued compensation at December 31, 2022 and 2021, respectively:

|                  | <u>2022</u>       | <u>2021</u>       |
|------------------|-------------------|-------------------|
| Accrued Salaries | \$ 207,412        | \$ 175,468        |
| Accrued Vacation | 141,218           | 118,086           |
| Accrued Sick     | 158,323           | 173,351           |
|                  | <u>\$ 506,953</u> | <u>\$ 466,905</u> |

- H. Capitalized Interest** - Interest costs are capitalized when incurred by the Utilities on debt where proceeds were used to finance the construction of assets.

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Notes to the Financial Statements

**Note 1: Summary of Significant Accounting Policies (Cont'd)**

- I. Capital Assets** – Capital assets, which include plant, property, equipment, and infrastructure assets, are stated at historical cost. Donated assets are valued at their fair market value on the date donated. Maintenance and repairs are charged directly against income as incurred. Renewals and betterments, which extend the useful lives of the assets, are capitalized. Interest costs incurred for specific projects are capitalized. Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more. Infrastructure assets capitalized have an original cost of \$250,000 or more. Depreciation has been provided for primarily on the straight-line method. Estimated useful lives are as follows:

|                       |               |
|-----------------------|---------------|
| Buildings             | 10 - 40 years |
| Vehicles              | 3 - 5 years   |
| Furniture             | 3 - 10 years  |
| Equipment and service | 3 - 40 years  |

- J. Net Position** – The Utilities must report its net position as either restricted, unrestricted, or net investment in capital assets. These components of net position are defined below:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of the remaining balance in net position that does not meet the definition of restricted or net investment in capital assets.

- K. Use of Estimates** - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.
- L. Accounting Pronouncements** - In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB 87 – Leases. This guidance requires an entity to recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as expenses when paid. The GASB also requires additional disclosure to enable readers of the financial statements to understand the nature, amount, and timing of the leases. The Utilities has implemented GASB 87. There were no material leases for the Utilities, therefore, there was no effect on the net position in connection with the implementation of GASB 87.

**Note 2: Related Party Transactions**

The Utilities pays a franchise fee to the City and reimburses and receives reimbursement from the City for certain shared costs. The Utilities owed the City \$141,821 and \$274,982 at December 31, 2022 and 2021, respectively. For the years ended December 31, 2022 and 2021, the Utilities had franchise fee expense to the City of \$163,436 and \$2,129,421, respectively.

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Notes to the Financial Statements

**Note 3: Board Designated Funds**

The Benton Public Utilities Board has designated the following funds as of December 31, 2022 and 2021:

|  | 2022                | 2021                |
|--|---------------------|---------------------|
| Public Utility Reservoir Contingent Fund   | \$ 2,097            | \$ 2,085            |
| Public Utility Emergency Fund              | 64,683              | 64,329              |
| Water System Capital Improvement Fund      | 1,967               | 1,966               |
| Electric Capital Improvement Fund          | 1,967               | 1,966               |
| Facilities Capital Improvement Fund        | 25,429              | 25,416              |
| Wastewater Capital Improvement Fund        | 1,189               | 1,189               |
| Alcoa Road Relocation and Improvement Fund | 1,408,892           | 1,408,190           |
| Economic Development Fund                  | 2,238               | 103,175             |
| Pension Savings Fund                       | 366,485             | 174,065             |
| Investment Fund                            | 7,950,620           | 8,048,085           |
|  | <u>\$ 9,825,567</u> | <u>\$ 9,830,466</u> |

Board designated funds consist of funds in depository accounts and fixed income. The carrying value is the market value for these accounts.

**Note 4: Restricted Funds**

The restricted funds as of December 31, 2022 and 2021 are as follows:

|                        | 2022                | 2021                |
|------------------------|---------------------|---------------------|
| Bond Funds             | \$ 644,713          | \$ 958,645          |
| Debt Service Funds     | 2,856,054           | 2,525,782           |
| Depreciation Fund      | 963,057             | 808,127             |
| Construction Fund      |                     | 252,772             |
| Total Restricted Funds | <u>\$ 4,463,824</u> | <u>\$ 4,545,326</u> |

Restricted funds consist of funds in depository accounts and Treasury and Government Obligations. The carrying value is the market value for these accounts.

**Note 5: Capital Assets**

The following is a summary of capital assets as of December 31, 2022 and 2021:

|                                     | Balance<br>12/31/21   | Additions           | Deletions | Transfers    | Balance<br>12/31/22   |
|-------------------------------------|-----------------------|---------------------|-----------|--------------|-----------------------|
| Land                                | \$ 1,316,813          | \$                  | \$        | \$           | \$ 1,316,813          |
| Buildings - Administrative          | 2,368,530             |                     |           | 34,156       | 2,402,686             |
| Vehicles                            | 4,656,325             | 83,314              |           |              | 4,739,639             |
| Furniture and Office<br>Equipment   | 351,914               | 25,341              |           |              | 377,255               |
| Service Facilities and<br>Equipment | 193,163,956           | 4,110,737           |           | 10,870,066   | 208,144,759           |
| Construction Materials              | 1,294,270             | 1,050,032           |           |              | 2,344,302             |
| Construction in Process             | 6,059,140             | 5,850,135           |           | (10,904,222) | 1,005,053             |
|                                     | <u>\$ 209,210,948</u> | <u>\$11,119,559</u> | <u>\$</u> | <u>\$</u>    | <u>\$ 220,330,507</u> |



Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Notes to the Financial Statements

**Note 5: Capital Assets (Cont'd)**

|                                     | Balance<br>12/31/20   | Additions            | Deletions | Transfers | Balance<br>12/31/21   |
|-------------------------------------|-----------------------|----------------------|-----------|-----------|-----------------------|
| Land                                | \$ 1,316,813          | \$                   | \$        | \$        | \$ 1,316,813          |
| Buildings - Administrative          | 2,337,724             |                      |           | 30,806    | 2,368,530             |
| Vehicles                            | 4,371,603             | 284,722              |           |           | 4,656,325             |
| Furniture and Office<br>Equipment   | 351,914               |                      |           |           | 351,914               |
| Service Facilities and<br>Equipment | 187,657,795           | 5,084,298            |           | 421,863   | 193,163,956           |
| Construction Materials              | 870,208               | 424,062              |           |           | 1,294,270             |
| Construction in Process             | 653,733               | 5,858,076            |           | (452,669) | 6,059,140             |
|                                     | <u>\$ 197,559,790</u> | <u>\$ 11,651,158</u> | <u>\$</u> | <u>\$</u> | <u>\$ 209,210,948</u> |

**Note 6: Revenue Bonds Payable**

The interest rates and maturity dates of the revenue bonds payable as of December 31, 2021 are as follows:

|                            |                |           |
|----------------------------|----------------|-----------|
| Issue of March 6, 2009     | 2.75%          | 6/01/2034 |
| Issue of April 1, 2012     | 1.00% to 5.00% | 9/01/2022 |
| Issue of July 1, 2015      | 2.00% to 5.00% | 9/01/2036 |
| Issue of January 30, 2018  | 2.27%          | 9/01/2025 |
| Issue of February 12, 2020 | 1.80% to 3.05% | 9/01/2036 |

The following schedule details the changes in revenue bonds payable for the years ending December 31:

|                   | 2022                 | 2021                 | 2020                 |
|-------------------|----------------------|----------------------|----------------------|
| Beginning Balance | \$ 42,223,338        | \$ 45,073,050        | \$ 46,859,896        |
| Issued            |                      |                      | 14,155,000           |
| Retired           | (3,057,404)          | (2,849,712)          | (15,941,846)         |
| Ending Balance    | <u>\$ 39,165,934</u> | <u>\$ 42,223,338</u> | <u>\$ 45,073,050</u> |

Maturities of revenue bonds as of December 31, 2022 are as follows:

|           | Principal            | Interest and<br>Service Fees | Total                |
|-----------|----------------------|------------------------------|----------------------|
| 2023      | \$ 3,156,954         | \$ 1,464,929                 | \$ 4,621,883         |
| 2024      | 3,247,284            | 1,372,784                    | 4,620,068            |
| 2025      | 3,337,624            | 1,276,424                    | 4,614,048            |
| 2026      | 2,207,974            | 1,194,564                    | 3,402,538            |
| 2027      | 2,273,333            | 1,127,044                    | 3,400,377            |
| 2028-2032 | 12,712,413           | 4,294,385                    | 17,006,798           |
| 2033-2036 | 12,230,352           | 1,318,627                    | 13,548,979           |
|           | <u>\$ 39,165,934</u> | <u>\$ 12,048,757</u>         | <u>\$ 51,214,691</u> |

Bond Premium – The series 2012 and 2015 revenue bonds were issued at a premium. The interest method of amortization is used to amortize the premium, based on the effective interest rate of the issue. The amount amortized for the years ended December 31, 2022 and 2021 was \$166,133 and \$202,519, respectively. The amortization is included in interest expense on the statement of revenues and expenses.

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Notes to the Financial Statements

**Note 6: Revenue Bonds Payable (Cont'd)**

Bond Discount – The series 2012 revenue bonds were issued at a discount. The interest method of amortization is used to amortize the discount, based on the effective interest rate of the issue. The amount amortized for the years ended December 31, 2022 and 2021 was \$1,372 and \$5,647, respectively. The amortization is included in interest expense on the statement of revenues and expenses.

Defeased Debt – The Utilities legally defeased most of the Series 2012 revenue bonds by placing cash and proceeds of the Series 2020 revenue bonds in a trust to provide for all future debt service payments on the Series 2012 revenue bonds until the debt can be retired on September 1, 2022. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Utilities statements of net position. As of December 31, 2021, the defeased debt outstanding amounted to \$13,145,000.

Loss from Early Retirement of Debt – The series 2012 Refunding and Improvement Bonds were issued April 1, 2012 with the proceeds of the \$24,600,000 issue to refund the 1995, 1997, 2001a, 2002, 2004a and 2004b bonds outstanding. The series 2015 Refunding Bonds were issued July 1, 2015 with the proceeds of the \$25,625,000 issue to refund the 2006 bonds outstanding. The series 2020 Revenue Refunding Bonds were issued February 12, 2020 with the proceeds of the \$14,155,000 issue to partially refund the 2012 bonds outstanding. The difference between the book value of the refunded debt and the amount required to retire the debt created an economic loss of \$89,795 for the 2012 refunding, \$810,515 for the 2015 refunding and \$1,271,443 for the 2020 refunding. Each respective loss was deferred over the life of the refunded debt using the interest method of amortization, based on the effective interest rate. The amount amortized for the years ended December 31, 2022 and 2021 was \$142,819 and \$146,445, respectively. For the years ended December 31, 2022 and 2021, this amortization is included in interest expense on the statement of revenues and expenses.

**Note 7: Supplemental Cash Flow Disclosure**

The interest paid in the years ended December 31, 2022 and 2021 was \$1,565,452 and \$1,669,233, respectively.

**Note 8: Retirement Plan**

Effective January 1, 2022, the Utilities adopted the Benton Utilities Defined Contribution Plan. The plan covers employees hired as of the effective date and thereafter with entry immediate and no minimum service requirement. The Utilities requires an employee contribution of 2% and makes a matching contribution equal to 100% of employee contributions up to 5% of employee's gross income. The Utilities also makes an annual 5% contribution for all participants.

The employees of the Benton Municipal Light and Water Works hired prior to January 1, 2022 are covered by a single-employer defined benefit plan which covers all full-time employees who have six months of service.

The plan is administered by Simmons First Trust Company. The financial statements and disclosures for the plan are included in a stand-alone financial report provided by the actuary. As of the date of this report, the stand-alone financial report for 2022 is not available.

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Notes to the Financial Statements

**Note 8: Retirement Plan (Cont'd)**

For financial statement purposes, the Utilities has recorded net pension liability and net pension inflows and outflows for the year ending December 31, 2021 using December 31, 2020 actuarial information and recorded net pension liability and net pension inflows and outflows for the year ending December 31, 2022 using December 31, 2021 actuarial information.

Membership in the plan as of December 31, 2021, is as follows:

|   |            |
|---|------------|
| Retirees and beneficiaries currently receiving benefits | 74         |
| Vested terminated employees                             | 31         |
| Current employees                                       | <u>68</u>  |
| Total   | <u>173</u> |

The following is a schedule of changes in the employers' net pension liability and related ratios for years ending December 31:

|  | <u>2021</u>              | <u>2020</u>              | <u>2019</u>              |
|--|--------------------------|--------------------------|--------------------------|
| Total Pension Liability                            |                          |                          |                          |
| Service Cost                                       | \$ 410,064               | \$ 372,188               | \$ 380,350               |
| Interest   | 1,268,691                | 1,259,156                | 1,226,917                |
| Differences Between Actual and Expected Experience | (19,126)                 | (420,330)                | (122,988)                |
| Assumption Changes                                 | 1,026,608                |                          |                          |
| Benefit Payments                                   | <u>(1,187,049)</u>       | <u>(1,038,267)</u>       | <u>(992,850)</u>         |
| Net Change in Total Pension Liability              | \$ 1,499,188             | \$ 172,747               | \$ 491,429               |
| <br>Total Pension Liability – Beginning            | <br><u>\$ 18,307,633</u> | <br><u>\$ 18,134,886</u> | <br><u>\$ 17,643,457</u> |
| Total Pension Liability – Ending                   | <u>\$ 19,806,821</u>     | <u>\$ 18,307,633</u>     | <u>\$ 18,134,886</u>     |
| <br>Plan Fiduciary Net Position                    |                          |                          |                          |
| Contributions – Employee Mandatory                 | \$ 109,396               | \$ 91,648                | \$ 74,839                |
| Contributions – Employer                           | 770,444                  | 934,041                  | 956,004                  |
| Net Investment Income                              | 2,115,494                | 1,957,837                | 2,600,244                |
| Benefits Payments                                  | (1,187,049)              | (1,038,267)              | (992,850)                |
| Administrative Expense                             | <u>(6,000)</u>           | <u>(6,000)</u>           | <u>(6,000)</u>           |
| Net Change in Plan Net Position                    | \$ 1,808,285             | \$ 1,939,259             | \$ 2,638,237             |
| <br>Net Position – Beginning                       | <br><u>\$ 18,205,089</u> | <br><u>\$ 16,265,830</u> | <br><u>\$ 13,627,593</u> |
| Net Position – Ending                              | <u>\$ 20,013,374</u>     | <u>\$ 18,205,089</u>     | <u>\$ 16,265,830</u>     |

For services prior to October 31, 1968, benefits are based on .5% of monthly compensation and .5% of average monthly compensation in excess of \$400 multiplied by years of service from date of hire to October 31, 1968. For service between October 31, 1968 and December 31, 1989, benefits are based on 2% of average monthly compensation and .75% of average monthly compensation in excess of \$400 multiplied by years of service from the later of October 31, 1969 to December 31, 1989. For services after December 31, 1989, benefits are based on 2.75% of average monthly compensation multiplied by years of service (maximum 30 years) to normal retirement date.

The plan provides retirement benefits as well as disability benefits. Benefits begin vesting at five years of service and are 100 percent vested at ten years of service. All employees are entitled to a retirement benefit based on their period of service.

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Notes to the Financial Statements

**Note 8: Retirement Plan (Cont'd)**

Employees may take early retirement between 55 and 65. The employee must complete ten years of service and be at least 55 years of age to be eligible for benefits. The early retirement pension is the actuarial equivalent of the accrued benefits at normal retirement age.

Employees hired before December 31, 2011 make no contribution to the plan. For employees hired after December 31, 2011, 2% of compensation is contributed until January 1 following date of hire and 4% contribution thereafter. No employee contributes after thirty years of service. The Benton Municipal Light and Water Works' contribution is actuarially determined.

The long-term expected rate of return on pension plan investments was determined using a building block method of best-estimate ranges of expected future real rates of return. The target allocation of the plan is shown below:

| <u>Asset Class</u> | <u>Target<br/>Allocation</u> | <u>Long Term<br/>Expected Rate<br/>of Return</u> |
|--------------------|------------------------------|--|
| Fixed Income       | 30%                          | 2.25%  |
| Domestic Equity    | 50%                          | 4.75%  |
| Foreign Equity     | 5%                           | 6.25%  |
| Alternatives       | 8%                           | 4.50%  |
| Cash               | 7%                           | 0.25%  |
| Total              | 100%                         |  |
| Expected Inflation |                              | 2.75%  |

The annual required contribution for 2022 was determined as part of the January 1, 2022, actuarial valuation using the entry age normal cost method. The actuarial assumptions included 6.5% investment rate of return and a projected salary increase of 2.0% annually. The assumptions did not include postretirement benefits increases. The actuarial value of assets was based on the fair market value.

The 1983 Group Annuity Mortality Table was used for life expectancy. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. A single discount rate of 6.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.5%. Regarding the sensitivity of the net pension liability to changes in the single discount rate the following presents the plan's net pension liability, calculated using a single discount rate of 6.5% as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

|                         | <u>1%<br/>Decrease<br/>to 5.5%</u> | <u>Current<br/>Single Rate<br/>Assumed</u> | <u>1%<br/>Increase<br/>to 7.5%</u> |
|-------------------------|------------------------------------|--|------------------------------------|
| Total Pension Liability | \$ 22,135,357                      | \$ 19,806,821                              | \$ 17,834,031                      |
| Net Pension Liability   | \$ 2,121,983                       | \$ (206,553)                               | \$ (2,179,343)                     |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Notes to the Financial Statements

**Note 8: Retirement Plan (Cont'd)**

Deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Difference between expected and actual experience                                   | \$ 35,949                                     | \$ 675,479                                   |
| Changes of assumptions  | 855,507                                       |  |
| Net difference between projected and actual earnings<br>on pension plan investments | 390,649                                       | 1,831,431                                    |
| Contributions subsequent to measurement date  | <u>610,634</u>                                |  |
|   | <u>\$ 1,892,739</u>                           | <u>\$ 2,506,910</u>                          |

Contributions made subsequent to the measurement date will be reversed in the year ending December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense in the financial statements as follows:

|                          |            |                     |
|--------------------------|------------|---------------------|
| Years ended December 31: | 2023       | \$ 387,910          |
|                          | 2024       | (613,368)           |
|                          | 2025       | (248,035)           |
|                          | 2026       | (84,061)            |
|                          | 2027       | 122,709             |
|                          | Thereafter | <u>(179,326)</u>    |
|                          |            | <u>\$ (614,171)</u> |

**Note 9: Subsequent Events**

Management has evaluated subsequent events through May 26, 2023, the date which the financial statements were available to be issued.

Benton Municipal Light And Water Works  
City of Benton, State of Arkansas  
Schedule of Operating, Board Designated  
and Restricted Funds  
December 31, 2022 and 2021

|  | 2022                 | 2021                 |
|--|----------------------|----------------------|
| Operating Funds                                  |                      |                      |
| Cash on Hand                                     | \$ 2,016             | \$ 3,000             |
| Demand Deposits - General Operating Accounts     |                      |                      |
| Bank OZK   | 1,739,884            | 2,846,717            |
| First Security Bank                              | 2,138,653            | 7,691,407            |
| Total Operating Funds                            | <u>3,880,553</u>     | <u>10,541,124</u>    |
| Board Designated                                 |                      |                      |
| Reservoir Contingent Fund - First Security Bank  | 2,097                | 2,085                |
| Utility Emergency Fund - First Security Bank     | 64,683               | 64,329               |
| Water System Capital Improvement Fund - Bank OZK | 1,967                | 1,966                |
| Electric Capital Improvement Fund - Bank OZK     | 1,967                | 1,966                |
| Facilities Capital Improvement Fund - Bank OZK   | 25,429               | 25,416               |
| Wastewater Capital Improvement Fund - Bank OZK   | 1,189                | 1,189                |
| Alcoa Road Utilities Relocation Fund - Bank OZK  | 1,408,892            | 1,408,190            |
| Economic Development Fund - Bank OZK             | 2,238                | 103,175              |
| Pension Savings Fund - Bank OZK                  | 366,485              | 174,065              |
| Investment Fund - Crews and Associates           | 7,950,620            | 8,048,085            |
| Total Board Designated                           | <u>9,825,567</u>     | <u>9,830,466</u>     |
| Restricted Funds                                 |                      |                      |
| Bond Funds                                       |                      |                      |
| 03/06/09 Issue - Regions Corporate Trust         | 209                  | 1,510                |
| 04/01/12 Issue - US Bank Trust                   | 2,056                | 316,098              |
| 01/30/18 Issue - Regions Corporate Trust         | 642,448              | 641,037              |
| Total Bond Funds                                 | <u>644,713</u>       | <u>958,645</u>       |
| Depreciation Fund                                |                      |                      |
| Public Utilities - First Security Bank           | <u>963,057</u>       | <u>808,127</u>       |
| Debt Service Escrow Funds                        |                      |                      |
| 04/01/12 Issue - US Bank Trust                   | 1,113,893            | 1,103,183            |
| 07/01/15 Issue - Simmons Trust                   | 643,074              | 638,070              |
| 01/30/18 Issue - Regions Corporate Trust         | 603,775              | 603,775              |
| 02/12/2020 Issue - US Bank Trust                 | 495,312              | 180,754              |
| Total Debt Service Escrow Funds                  | <u>2,856,054</u>     | <u>2,525,782</u>     |
| Construction Fund                                |                      |                      |
| 01/30/18 Issue - Regions Corporate Trust         |                      | <u>252,772</u>       |
| Total Restricted Funds                           | <u>4,463,824</u>     | <u>4,545,326</u>     |
| Total Operating, Designated and Restricted Funds | <u>\$ 18,169,944</u> | <u>\$ 24,916,916</u> |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Departmental Statements of Revenues and Expenses  
For the Years Ended December 31, 2022 and 2021

|  | 2022           | 2021           | 2022           | 2021           | 2022                 | 2021                 | Eliminations   |              | 2022              | 2021              | 2022              | 2021              |
|--|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------|--------------|-------------------|-------------------|-------------------|-------------------|
|  | Light<br>Dept. | Light<br>Dept. | Water<br>Dept. | Water<br>Dept. | Waste<br>Water Dept. | Waste<br>Water Dept. | 2022           | 2021         | Combined<br>Total | Combined<br>Total | Combined<br>Total | Combined<br>Total |
| Revenue - Operations                                 | \$ 26,924,749  | \$ 26,813,106  | \$ 6,086,532   | \$ 5,920,633   | \$ 5,621,100         | \$ 5,817,592         | \$ (1,007,318) | \$ (984,828) | \$ 37,625,063     | \$ 37,566,503     |                   |                   |
| Fees   |                |                |                |                |                      |                      |                |              |                   |                   |                   |                   |
| Service Charges and Connection Fees                  | 319,677        | 359,036        | 224,105        | 238,262        | 388,734              | 391,239              |                |              | 932,516           | 988,537           |                   |                   |
| Penalties  | 136,630        | 167,895        | 28,109         | 35,133         | 46,693               | 56,746               |                |              | 211,432           | 259,774           |                   |                   |
| Other Income   | 197,042        | 162,040        | 54,715         | 20,630         | 63,836               | 54,307               |                |              | 315,593           | 236,977           |                   |                   |
| Total Revenue - Operations                           | 27,578,098     | 27,502,077     | 6,393,461      | 6,214,658      | 6,120,363            | 6,319,884            | (1,007,318)    | (984,828)    | 39,084,604        | 39,051,791        |                   |                   |
| Expenses - Operations                                |                |                |                |                |                      |                      |                |              |                   |                   |                   |                   |
| Power Costs  | 16,663,973     | 13,742,483     |                |                |                      |                      |                |              | 16,663,973        | 13,742,483        |                   |                   |
| Plant Production                                     |                |                | 1,872,394      | 1,727,673      | 2,953,979            | 1,905,471            | (864,283)      | (845,108)    | 3,962,090         | 2,788,036         |                   |                   |
| General and Distribution                             | 3,316,583      | 3,051,268      | 1,374,008      | 1,309,845      | 1,829,978            | 1,400,548            | (139,446)      | (129,843)    | 6,381,123         | 5,631,818         |                   |                   |
| Administrative                                       | 889,508        | 886,217        | 920,390        | 900,623        | 855,709              | 814,583              | (3,589)        | (9,877)      | 2,662,018         | 2,591,546         |                   |                   |
| Depreciation   | 1,254,557      | 1,274,480      | 1,870,309      | 1,754,529      | 2,693,354            | 2,584,044            |                |              | 5,818,220         | 5,613,053         |                   |                   |
| Franchise Fees                                       | 49,340         | 1,452,584      | 75,161         | 333,198        | 38,935               | 343,639              |                |              | 163,436           | 2,129,421         |                   |                   |
| Total Expenses - Operations                          | 22,173,961     | 20,407,032     | 6,112,262      | 6,025,868      | 8,371,955            | 7,048,285            | (1,007,318)    | (984,828)    | 35,650,860        | 32,496,357        |                   |                   |
| Operating Income (Loss)                              | 5,404,137      | 7,095,045      | 281,199        | 188,790        | (2,251,592)          | (728,401)            |                |              | 3,433,744         | 6,555,434         |                   |                   |
| Non-Operating Revenues (Expenses)                    |                |                |                |                |                      |                      |                |              |                   |                   |                   |                   |
| Investment Income                                    | (66,330)       | (16,417)       | (7,494)        | (5,026)        | 25,221               | 43,509               |                |              | (48,603)          | 22,066            |                   |                   |
| Interest Expense                                     | (60,773)       | (54,254)       | (341,712)      | (295,577)      | (1,099,627)          | (1,121,983)          |                |              | (1,502,112)       | (1,471,814)       |                   |                   |
| Total Non-Operating Revenues (Expenses)              | (127,103)      | (70,671)       | (349,206)      | (300,603)      | (1,074,406)          | (1,078,474)          |                |              | (1,550,715)       | (1,449,748)       |                   |                   |
| Net Income (Loss) Before Contributions and Transfers | \$ 5,277,034   | \$ 7,024,374   | \$ (68,007)    | \$ (111,813)   | \$ (3,325,998)       | \$ (1,806,875)       |                |              | 1,883,029         | 5,105,686         |                   |                   |
| Capital Contributions                                |                |                |                |                |                      |                      |                |              |                   |                   |                   |                   |
| Bond Issuance Costs                                  |                |                |                |                |                      |                      |                |              | 1,309,829         | 2,716,817         |                   |                   |
| Change in Net Position                               |                |                |                |                |                      |                      |                |              | \$ 3,192,858      | \$ 7,822,503      |                   |                   |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Schedule of Plant Production and Treatment Expenses  
For the Year Ended December 31, 2022

|                                  | Water<br>Dept.      | Waste<br>Water<br>Dept. | Combined<br>Total   |
|----------------------------------|---------------------|-------------------------|---------------------|
| Salaries                         | \$ 453,843          | \$ 652,159              | \$ 1,106,002        |
| Fringe Benefits                  | 115,528             | 150,500                 | 266,028             |
| Vehicle Operations               | 17,504              | 26,290                  | 43,794              |
| Building Maintenance             | 279,988             | 1,068,747               | 1,348,735           |
| Equipment Repairs                | 30,123              | 218,654                 | 248,777             |
| Office Supplies                  | 3,139               | 2,427                   | 5,566               |
| Janitorial Supplies and Services | 9,419               | 10,430                  | 19,849              |
| Computer Supplies                |                     | 350                     | 350                 |
| Chemicals                        | 240,130             | 98,192                  | 338,322             |
| Laboratory                       | 10,154              | 39,518                  | 49,672              |
| Electric, Water and Waste Water  | 437,850             | 428,094                 | 865,944             |
| Miscellaneous                    | 18,917              | 60,086                  | 79,003              |
| Heat - Natural Gas               | 10,362              | 82,282                  | 92,644              |
| Telephone                        | 5,358               | 3,852                   | 9,210               |
| Equipment Rental                 | 2,441               | 3,151                   | 5,592               |
| Small Tool Expense               | 8,430               | 1,842                   | 10,272              |
| Professional and Consulting      | 104,244             | 37,990                  | 142,234             |
| Insurance                        | 57,077              | 65,672                  | 122,749             |
| Small Equipment Expense          | 67,887              | 3,743                   | 71,630              |
| Total                            | <u>\$ 1,872,394</u> | <u>\$ 2,953,979</u>     | <u>\$ 4,826,373</u> |



Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Schedule of General, Distribution and Collection Expenses  
For the Year Ended December 31, 2022

|                                  | Light<br>Dept.      | Water<br>Dept.      | Waste<br>Water<br>Dept. | Combined<br>Total   |
|----------------------------------|---------------------|---------------------|-------------------------|---------------------|
| Salaries                         | \$ 1,474,709        | \$ 661,149          | \$ 620,583              | \$ 2,756,441        |
| Fringe Benefits                  | 344,221             | 168,049             | 126,293                 | 638,563             |
| Vehicle Operations               | 179,377             | 103,075             | 107,878                 | 390,330             |
| Building Maintenance             | 40,422              | 2,740               | 80,719                  | 123,881             |
| Line Maintenance                 | 313,606             | 287,010             | 220,379                 | 820,995             |
| Equipment Repairs                | 8,933               | 3,635               | 25,824                  | 38,392              |
| Street Light Repairs             | 57,590              |                     |                         | 57,590              |
| Lift Station Maintenance         |                     |                     | 299,104                 | 299,104             |
| Office Supplies                  | 873                 | 13                  | 1,635                   | 2,521               |
| Janitorial Supplies and Services | 12,784              | 9,435               | 16,832                  | 39,051              |
| Computer Supplies                | 1,390               | 142                 | 696                     | 2,228               |
| Computer Services                | 1,731               | 300                 |                         | 2,031               |
| Natural Gas                      | 7,207               |                     | 173                     | 7,380               |
| Electric, Water and Waste Water  | 18,424              | 16,965              | 144,535                 | 179,924             |
| Miscellaneous                    | 38,473              | 11,579              | 34,232                  | 84,284              |
| Telephone                        | 35,610              | 6,396               | 11,146                  | 53,152              |
| Equipment Rental                 | 4,111               | 391                 | 862                     | 5,364               |
| Small Tool Expense               | 25,189              | 2,111               | 9,247                   | 36,547              |
| Professional and Consulting      | 716,534             | 89,304              | 104,769                 | 910,607             |
| Insurance                        | 30,919              | 5,179               | 16,385                  | 52,483              |
| Small Equipment Expense          | 4,480               | 6,535               | 8,686                   | 19,701              |
| Total                            | <u>\$ 3,316,583</u> | <u>\$ 1,374,008</u> | <u>\$ 1,829,978</u>     | <u>\$ 6,520,569</u> |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Schedule of Administrative Expenses  
For the Year Ended December 31, 2022

|                                    | Light<br>Dept.    | Water<br>Dept.    | Waste<br>Water<br>Dept. | Combined<br>Total   |
|------------------------------------|-------------------|-------------------|-------------------------|---------------------|
| Salaries                           | \$ 397,824        | \$ 397,824        | \$ 397,823              | \$ 1,193,471        |
| Fringe Benefits                    | 105,196           | 105,196           | 105,197                 | 315,589             |
| Vehicle Operations                 | 8,299             | 8,299             | 8,300                   | 24,898              |
| Building Maintenance               | 2,297             | 2,297             | 2,296                   | 6,890               |
| Equipment Repairs                  | 7,248             | 7,248             | 7,247                   | 21,743              |
| Office Supplies                    | 11,132            | 11,132            | 11,133                  | 33,397              |
| Postage                            | 29,374            | 29,374            | 29,375                  | 88,123              |
| Janitorial Supplies and Services   | 2,079             | 2,079             | 2,080                   | 6,238               |
| Computer Supplies                  | 1,232             | 1,232             | 1,232                   | 3,696               |
| Computer and Billing Services      | 60,544            | 60,544            | 60,544                  | 181,632             |
| Electricity, Water and Waste Water | 1,196             | 1,196             | 1,197                   | 3,589               |
| Miscellaneous                      | 37,684            | 114,952           | 37,684                  | 190,320             |
| Heat - Natural Gas                 | 201               | 201               | 200                     | 602                 |
| Telephone                          | 6,893             | 6,893             | 6,894                   | 20,680              |
| Professional and Consulting        | 124,729           | 124,729           | 124,730                 | 374,188             |
| Customer Collection Expense        | 30,412            | 30,412            | 30,413                  | 91,237              |
| Insurance                          | 1,065             | 1,065             | 1,064                   | 3,194               |
| Small Equipment Expense            | 1,971             | 1,971             | 1,971                   | 5,913               |
| Bad Debt Expense                   | 60,132            | 13,746            | 26,329                  | 100,207             |
| Total                              | <u>\$ 889,508</u> | <u>\$ 920,390</u> | <u>\$ 855,709</u>       | <u>\$ 2,665,607</u> |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Supplemental Water and Sewer Disclosures

The following is a summary of water and sewer rates and usage information for the system at December 31, 2022:

**Sewer Monthly Rates**

- (a) 0-2 mg minimum average water usage - \$12.37
- (b) All over 2 mg minimum average water usage - \$12.37 minimum, plus \$5.26 per mg for all over 2 mg, out of city limits \$21.67 minimum and \$9.20 mg for all over 2 mg.
- (c) New residential customers charged \$28.36 per month until six (6) winter month's time frame established.
- (d) Commercial/industrial customers will be based on actual monthly water usage unless a leveled bill is approved by the utilities general manager.
- (e) Those sewer customers moving from one location to another on the city system, and having a previously established six (6) winter months usage time frame at the old location, shall have the sewer rate for their previous location continued at their new location.

**Number of Sewer Users**

|             | <u>2022</u>   |
|-------------|---------------|
| Residential | 14,655        |
| Commercial  | 1,289         |
| Industrial  | <u>18</u>     |
|             | <u>15,962</u> |

**Annual Billable Water**

|  | 2022<br><u>Gallons (000s)</u> |
|--|-------------------------------|
| Total annual billable water                | 1,580,038                     |
| Less water billable to non-sewer customers | <u>(463,673)</u>              |
| Net billable to sewer customers            | <u>1,116,365</u>              |
| Residential                                | 828,303                       |
| Commercial                                 | 225,972                       |
| Industrial                                 | <u>62,090</u>                 |
| Total water billable to sewer customers    | <u>1,116,365</u>              |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Revenue Bond Amortization Schedule  
Issue Dated March 6, 2009

December 31, 2022

| Maturity<br>Date | Principal         | Interest         | Principal<br>Outstanding |
|------------------|-------------------|------------------|--------------------------|
|                  | \$                | \$               | \$                       |
|                  |                   |                  | 155,934                  |
| 06/01/2023       | 5,936             | 2,144            | 149,998                  |
| 12/01/2023       | 6,018             | 2,062            | 143,980                  |
| 06/01/2024       | 6,100             | 1,980            | 137,880                  |
| 12/01/2024       | 6,184             | 1,896            | 131,696                  |
| 06/01/2025       | 6,269             | 1,811            | 125,427                  |
| 12/01/2025       | 6,355             | 1,725            | 119,072                  |
| 06/01/2026       | 6,443             | 1,637            | 112,629                  |
| 12/01/2026       | 6,531             | 1,549            | 106,098                  |
| 06/01/2027       | 6,621             | 1,459            | 99,477                   |
| 12/01/2027       | 6,712             | 1,368            | 92,765                   |
| 06/01/2028       | 6,804             | 1,276            | 85,961                   |
| 12/01/2028       | 6,898             | 1,182            | 79,063                   |
| 06/01/2029       | 6,993             | 1,087            | 72,070                   |
| 12/01/2029       | 7,089             | 991              | 64,981                   |
| 06/01/2030       | 7,187             | 893              | 57,794                   |
| 12/01/2030       | 7,285             | 795              | 50,509                   |
| 06/01/2031       | 7,386             | 694              | 43,123                   |
| 12/01/2031       | 7,487             | 593              | 35,636                   |
| 06/01/2032       | 7,590             | 490              | 28,046                   |
| 12/01/2032       | 7,694             | 386              | 20,352                   |
| 06/01/2033       | 7,800             | 280              | 12,552                   |
| 12/01/2033       | 7,907             | 173              | 4,645                    |
| 06/01/2034       | 4,645             | 64               |                          |
|                  | <u>\$ 155,934</u> | <u>\$ 26,535</u> |                          |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Revenue Bond Amortization Schedule  
Issue Dated July 1, 2015

December 31, 2022

| Maturity<br>Date | Principal            | Interest            | Principal<br>Outstanding |
|------------------|----------------------|---------------------|--------------------------|
|                  | \$                   | \$                  | \$                       |
|                  |                      |                     | 21,705,000               |
| 03/01/2023       |                      | 515,325             | 21,705,000               |
| 09/01/2023       | 880,000              | 515,325             | 20,825,000               |
| 03/01/2024       |                      | 493,325             | 20,825,000               |
| 09/01/2024       | 920,000              | 493,325             | 19,905,000               |
| 03/01/2025       |                      | 470,325             | 19,905,000               |
| 09/01/2025       | 970,000              | 470,325             | 18,935,000               |
| 03/01/2026       |                      | 455,775             | 18,935,000               |
| 09/01/2026       | 995,000              | 455,775             | 17,940,000               |
| 03/01/2027       |                      | 435,875             | 17,940,000               |
| 09/01/2027       | 1,035,000            | 435,875             | 16,905,000               |
| 03/01/2028       |                      | 410,000             | 16,905,000               |
| 09/01/2028       | 1,095,000            | 410,000             | 15,810,000               |
| 03/01/2029       |                      | 382,625             | 15,810,000               |
| 09/01/2029       | 1,145,000            | 382,625             | 14,665,000               |
| 03/01/2030       |                      | 354,000             | 14,665,000               |
| 09/01/2030       | 1,200,000            | 354,000             | 13,465,000               |
| 03/01/2031       |                      | 324,000             | 13,465,000               |
| 09/01/2031       | 1,980,000            | 324,000             | 11,485,000               |
| 03/01/2032       |                      | 274,500             | 11,485,000               |
| 09/01/2032       | 2,080,000            | 274,500             | 9,405,000                |
| 03/01/2033       |                      | 222,500             | 9,405,000                |
| 09/01/2033       | 2,185,000            | 222,500             | 7,220,000                |
| 03/01/2034       |                      | 167,875             | 7,220,000                |
| 09/01/2034       | 2,290,000            | 167,875             | 4,930,000                |
| 03/01/2035       |                      | 110,625             | 4,930,000                |
| 09/01/2035       | 2,405,000            | 110,625             | 2,525,000                |
| 03/01/2036       |                      | 50,500              | 2,525,000                |
| 09/01/2036       | 2,525,000            | 50,500              |                          |
|                  | <u>\$ 21,705,000</u> | <u>\$ 9,334,500</u> |                          |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Revenue Bond Amortization Schedule  
Issue Dated January 30, 2018

December 31, 2022

| Maturity<br>Date | Principal | Interest | Principal<br>Outstanding |
|------------------|-----------|----------|--------------------------|
|                  | \$        | \$       | \$                       |
|                  |           |          | 3,495,000                |
| 03/01/2023       |           | 39,668   | 3,495,000                |
| 09/01/2023       | 1,140,000 | 39,668   | 2,355,000                |
| 03/01/2024       |           | 26,729   | 2,355,000                |
| 09/01/2024       | 1,165,000 | 26,729   | 1,190,000                |
| 03/01/2025       |           | 13,507   | 1,190,000                |
| 09/01/2025       | 1,190,000 | 13,507   |                          |
|                  | \$        | \$       |                          |
|                  | 3,495,000 | 159,808  |                          |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Revenue Bond Amortization Schedule  
Issue Dated February 12, 2020

December 31, 2022

| Maturity<br>Date | Principal            | Interest            | Principal<br>Outstanding |
|------------------|----------------------|---------------------|--------------------------|
|                  | \$                   | \$                  | \$                       |
|                  |                      |                     | 13,810,000               |
| 03/01/2023       |                      | 175,368             | 13,810,000               |
| 09/01/2023       | 1,125,000            | 175,368             | 12,685,000               |
| 03/01/2024       |                      | 164,400             | 12,685,000               |
| 09/01/2024       | 1,150,000            | 164,400             | 11,535,000               |
| 03/01/2025       |                      | 152,612             | 11,535,000               |
| 09/01/2025       | 1,165,000            | 152,612             | 10,370,000               |
| 03/01/2026       |                      | 139,914             | 10,370,000               |
| 09/01/2026       | 1,200,000            | 139,914             | 9,170,000                |
| 03/01/2027       |                      | 126,234             | 9,170,000                |
| 09/01/2027       | 1,225,000            | 126,234             | 7,945,000                |
| 03/01/2028       |                      | 111,534             | 7,945,000                |
| 09/01/2028       | 1,245,000            | 111,534             | 6,700,000                |
| 03/01/2029       |                      | 95,660              | 6,700,000                |
| 09/01/2029       | 1,280,000            | 95,660              | 5,420,000                |
| 03/01/2030       |                      | 78,700              | 5,420,000                |
| 09/01/2030       | 1,320,000            | 78,700              | 4,100,000                |
| 03/01/2031       |                      | 60,550              | 4,100,000                |
| 09/01/2031       | 640,000              | 60,550              | 3,460,000                |
| 03/01/2032       |                      | 51,430              | 3,460,000                |
| 09/01/2032       | 655,000              | 51,430              | 2,805,000                |
| 03/01/2033       |                      | 42,096              | 2,805,000                |
| 09/01/2033       | 670,000              | 42,096              | 2,135,000                |
| 03/01/2034       |                      | 32,214              | 2,135,000                |
| 09/01/2034       | 690,000              | 32,214              | 1,445,000                |
| 03/01/2035       |                      | 22,036              | 1,445,000                |
| 09/01/2035       | 710,000              | 22,036              | 735,000                  |
| 03/01/2036       |                      | 11,209              | 735,000                  |
| 09/01/2036       | 735,000              | 11,209              |                          |
|                  | <u>\$ 13,810,000</u> | <u>\$ 2,527,914</u> |                          |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Estimated Debt Service Coverage

| December 31, 2021       |                     |                      |                     |                      |                      |
|-------------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| Year<br>Ending<br>12/31 | 03/06/2009<br>Bonds | 7/1/2015<br>Bonds    | 1/30/2018<br>Bonds  | 2/12/2020<br>Bonds   | Total<br>Bonds       |
| 2023                    | \$ 16,160           | \$ 1,910,650         | \$ 1,219,336        | \$ 1,475,737         | \$ 4,621,883         |
| 2024                    | 16,160              | 1,906,650            | 1,218,458           | 1,478,800            | 4,620,068            |
| 2025                    | 16,160              | 1,910,650            | 1,217,014           | 1,470,224            | 4,614,048            |
| 2026                    | 16,160              | 1,906,550            |                     | 1,479,828            | 3,402,538            |
| 2027                    | 16,160              | 1,906,750            |                     | 1,477,467            | 3,400,377            |
| 2028                    | 16,160              | 1,915,000            |                     | 1,468,068            | 3,399,228            |
| 2029                    | 16,160              | 1,910,250            |                     | 1,471,320            | 3,397,730            |
| 2030                    | 16,160              | 1,908,000            |                     | 1,477,400            | 3,401,560            |
| 2031                    | 16,160              | 2,628,000            |                     | 761,100              | 3,405,260            |
| 2032                    | 16,160              | 2,629,000            |                     | 757,860              | 3,403,020            |
| 2033                    | 16,160              | 2,630,000            |                     | 754,193              | 3,400,353            |
| 2034                    | 4,709               | 2,625,750            |                     | 754,427              | 3,384,886            |
| 2035                    |                     | 2,626,250            |                     | 754,073              | 3,380,323            |
| 2036                    |                     | 2,626,000            |                     | 757,417              | 3,383,417            |
| Totals                  | <u>\$ 182,469</u>   | <u>\$ 31,039,500</u> | <u>\$ 3,654,808</u> | <u>\$ 16,337,914</u> | <u>\$ 51,214,691</u> |



Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Required Supplementary Information  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Benton Utilities Employees' Pension Plan

|  | 12/31/21      | 12/31/20      | 12/31/19      | 12/31/18      | 12/31/17      | 12/31/16      | 12/31/15       | 12/31/14      | 12/31/13      | 12/31/12      |
|--|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| <b>Total Pension Liability</b>   |               |               |               |               |               |               |                |               |               |               |
| Service Cost   | \$ 410,064    | \$ 372,188    | \$ 380,350    | \$ 395,517    | \$ 382,204    | \$ 390,180    | \$ 340,980     | \$ 335,144    | \$ 337,147    | \$ 307,809    |
| Service Transfer   |               |               |               |               |               | 4,256         | (884,253)      |               |               |               |
| Interest   | 1,268,691     | 1,259,156     | 1,226,917     | 1,185,906     | 1,136,662     | 1,114,521     | 1,144,187      | 1,074,426     | 1,038,990     | 959,291       |
| Difference Between Actual and Expected Experience                      | (19,126)      | (420,330)     | (122,988)     | (18,858)      | 71,899        | (363,881)     | (297,057)      | 116,426       | (164,843)     | 498,699       |
| Assumption Changes   | 1,026,608     |               |               |               |               | (770,590)     | (723,117)      | (742,510)     | (665,637)     | (618,165)     |
| Benefit Payments   | (1,187,049)   | (1,038,267)   | (992,850)     | (930,200)     | (871,006)     | \$ 374,486    | \$ (419,260)   | \$ 783,486    | \$ 545,657    | \$ 1,147,634  |
| Net Change in Total Pension Liability                                  | \$ 1,499,188  | \$ 172,747    | \$ 491,429    | \$ 632,365    | \$ 719,759    | \$ 15,916,847 | \$ 16,336,107  | \$ 15,552,621 | \$ 15,006,964 | \$ 13,859,330 |
| Total Pension Liability - Beginning                                    | \$ 18,307,633 | \$ 18,134,886 | \$ 17,643,457 | \$ 17,011,092 | \$ 16,291,333 | \$ 16,291,333 | \$ 15,916,847  | \$ 16,336,107 | \$ 15,552,621 | \$ 13,859,330 |
| Total Pension Liability - Ending                                       | \$ 19,806,821 | \$ 18,307,633 | \$ 18,134,886 | \$ 17,643,457 | \$ 17,011,092 | \$ 16,291,333 | \$ 15,916,847  | \$ 16,336,107 | \$ 15,552,621 | \$ 15,006,964 |
| <b>Plan Fiduciary Net Position</b>                                     |               |               |               |               |               |               |                |               |               |               |
| Contributions - Employee Mandatory                                     | \$ 109,396    | \$ 91,648     | \$ 74,839     | \$ 67,270     | \$ 64,199     | \$ 49,641     | \$ 38,301      | \$ 29,480     | \$ 14,000     | \$ 2,263      |
| Contributions - Employer   | 770,444       | 934,041       | 956,004       | 876,337       | 913,740       | 685,000       | 700,012        | 750,000       | 700,000       | 725,000       |
| Service Transfer   |               |               |               |               |               | 4,256         | (884,253)      |               |               |               |
| Net Investment Income  | 2,115,494     | 1,957,837     | 2,600,244     | (934,373)     | 1,431,792     | 939,583       | (493,083)      | 620,952       | 1,554,607     | 918,794       |
| Benefits Payments  | (1,187,049)   | (1,038,267)   | (992,850)     | (930,200)     | (871,006)     | (770,590)     | (723,117)      | (742,510)     | (665,637)     | (618,165)     |
| Administrative Expense   |               | (6,000)       |               |               |               |               |                |               |               |               |
| Net Change in Plan Net Position  | \$ 1,808,285  | \$ 1,939,259  | \$ 2,638,237  | \$ (920,966)  | \$ 1,538,725  | \$ 907,890    | \$ (1,362,140) | \$ 657,922    | \$ 1,602,970  | \$ 1,027,892  |
| Plan Fiduciary Net Position - Beginning                                | \$ 18,205,089 | \$ 16,265,830 | \$ 13,627,593 | \$ 14,548,559 | \$ 13,009,834 | \$ 12,101,944 | \$ 13,484,084  | \$ 12,806,162 | \$ 11,203,192 | \$ 10,175,300 |
| Plan Fiduciary Net Position - Ending                                   | \$ 20,013,374 | \$ 18,205,089 | \$ 16,265,830 | \$ 13,627,593 | \$ 14,548,559 | \$ 13,009,834 | \$ 12,101,944  | \$ 13,464,084 | \$ 12,806,162 | \$ 11,203,192 |
| Net Pension Liability - Ending   | \$ (206,553)  | \$ 102,544    | \$ 1,869,056  | \$ 4,015,864  | \$ 2,462,533  | \$ 3,281,499  | \$ 3,814,903   | \$ 2,872,023  | \$ 2,746,459  | \$ 3,803,772  |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 101.04%       | 99.44%        | 89.69%        | 77.24%        | 85.52%        | 79.86%        | 76.03%         | 82.42%        | 82.34%        | 74.65%        |
| Covered Payroll  | \$ 4,552,853  | \$ 3,946,975  | \$ 3,536,733  | \$ 3,598,865  | \$ 3,790,429  | \$ 3,712,310  | \$ 3,758,978   | \$ 3,223,284  | \$ 3,236,306  | \$ 3,263,281  |
| Net Pension Liability as a Percentage of Payroll                       | -4.54%        | 2.60%         | 52.85%        | 111.59%       | 64.97%        | 88.40%        | 101.49%        | 89.10%        | 84.86%        | 116.56%       |

Benton Municipal Light and Water Works  
City of Benton, State of Arkansas  
Required Supplementary Information  
Schedule of Contributions  
Benton Utilities Employees' Pension Plan

| Acturial<br>Valuation<br>Date | Actuarially<br>Determined<br>Contribution<br>(a) | Actual<br>Contribution<br>(b) | Contribution<br>Deficiency<br>(Excess)<br>(a-b) | Covered<br>Payroll<br>(c) | Contribution<br>as a %<br>of Payroll<br>(b/c) |
|-------------------------------|--|-------------------------------|---|---------------------------|---|
| 12/31/14                      | \$ 697,224                                       | \$ 750,000                    | \$ (52,776)                                     | \$ 3,236,306              | 23.17%  |
| 12/31/15                      | \$ 716,658                                       | \$ 700,012                    | \$ 16,646                                       | \$ 3,758,978              | 18.62%  |
| 12/31/16                      | \$ 881,587                                       | \$ 685,000                    | \$ 196,587                                      | \$ 3,712,310              | 18.45%  |
| 12/31/17                      | \$ 790,479                                       | \$ 913,740                    | \$ (123,261)                                    | \$ 3,790,429              | 24.11%  |
| 12/31/18                      | \$ 681,567                                       | \$ 876,337                    | \$ (194,770)                                    | \$ 3,598,865              | 24.35%  |
| 12/31/19                      | \$ 880,619                                       | \$ 956,004                    | \$ (75,385)                                     | \$ 3,536,733              | 27.03%  |
| 12/31/20                      | \$ 562,080                                       | \$ 934,041                    | \$ (371,961)                                    | \$ 3,946,975              | 23.66%  |
| 12/31/21                      | \$ 341,841                                       | \$ 770,444                    | \$ (428,603)                                    | \$ 4,552,853              | 16.92%  |