

AUDITED FINANCIAL STATEMENTS

VILLAGE OF BENTON, WISCONSIN

DECEMBER 31, 2009

VILLAGE OF BENTON, WISCONSIN
DECEMBER 31, 2009

TABLE OF CONTENTS

Independent Auditor's Report.....	1
-----------------------------------	---

Basic Financial Statements

Exhibits

A-1	Statement of Net Assets	3
A-2	Statement of Activities.....	5
A-3	Balance Sheet – Governmental Funds.....	6
A-4	Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Assets	7
A-5	Statement of Revenues, Expenditures and Changes in Fund Balances -Governmental Funds	8
A-6	Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	9
A-7	Statement of Net Assets – Proprietary Funds.....	10
A-8	Statement of Revenues, Expenses and Changes in Fund Net Assets- Proprietary Funds	12
A-9	Statement of Cash Flows – Proprietary Funds	13
A-10	Statement of Net Assets – Fiduciary Funds	15
	Notes to the Basic Financial Statements	16

Required Supplementary Information:

B-1	Budgetary Comparison Schedule for the General Fund.....	41
-----	---	----

Supplemental Information:

Schedule 1	Combining Balance Sheet – Proprietary Funds.....	42
Schedule 2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances -Proprietary Funds	44
Schedule 3	Schedule of Insurance.....	45
Schedule 4	Other Utility Information	46



, 2010

Village of Benton, Wisconsin
244 Ridge Ave., Suite 101
Benton, WI 53803

Dear Darnell,

Enclosed are 16 copies of the audit report. If you have any questions, please give us a call.

Sincerely,

JOHNSON BLOCK AND COMPANY, INC.



Johnson & Block AND COMPANY, INC.

Certified Public Accountants

Quality service through our commitment to clients and staff

Millard W. Johnson ▲ James L. Block ▲ Alan L. Brey ▲ Joseph G. Mohlmann ▲ Kevin P. Krynski ▲ Janice L. Froelich

INDEPENDENT AUDITOR'S REPORT

The Village Board
Village of Benton
Benton, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Benton, Wisconsin as of and for the year ended December 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Village's 2008 financial statements and, in our report dated July 9, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Benton, Wisconsin, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Village of Benton has chosen not to present Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison information on page 41 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Benton's basic financial statements. The combining fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

JOHNSON BLOCK AND COMPANY, INC.

Johnson Block and Company, Inc.

Mineral Point, Wisconsin
April 28, 2010



Exhibit A-1
Village of Benton, Wisconsin
Statement of Net Assets
December 31, 2009
(With summarized financial information as December 31, 2008)

	Governmental Activities	Business-Type Activities	Total	
			2009	2008
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 1,512,954	\$ 1,195,325	\$ 2,708,279	\$ 2,495,453
Receivables				
Taxes	234,404		234,404	230,716
Customer		93,181	93,181	93,046
Other governments	6,822		6,822	6,334
Other	5,483		5,483	6,004
Prepaid expenses	414		414	
Internal balances	(73,215)	73,215		
Materials and supplies		28,880	28,880	25,747
Total current assets	<u>1,686,862</u>	<u>1,390,601</u>	<u>3,077,463</u>	<u>2,857,300</u>
Restricted Assets:				
Restricted cash and investments		296,301	296,301	294,881
Other Assets:				
Deferred debits				6,706
Unamortized debt discount		2,300	2,300	2,687
Notes receivable	24,194		24,194	24,194
Special assessments receivable	2,426		2,426	10,607
Total other assets	<u>26,620</u>	<u>2,300</u>	<u>28,920</u>	<u>44,194</u>
Capital Assets:				
Property, plant and equipment	1,242,193	6,935,483	8,177,676	8,015,450
Less: accumulated depreciation	<u>353,401</u>	<u>2,795,367</u>	<u>3,148,768</u>	<u>2,913,778</u>
Total capital assets	<u>888,792</u>	<u>4,140,116</u>	<u>5,028,908</u>	<u>5,101,672</u>
Total Assets	<u>\$ 2,602,274</u>	<u>\$ 5,829,318</u>	<u>\$ 8,431,592</u>	<u>\$ 8,298,047</u>

Exhibit A-1 (Cont'd)
Statement of Net Assets
December 31, 2009
(With summarized financial information as December 31, 2008)

	Governmental Activities	Business-Type Activities	Total	
			2009	2008
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$ 10,692	\$ 1,626	\$ 12,318	\$ 14,578
Due to other governments	6,314	1,671	7,985	22,678
Customer deposits		1,631	1,631	1,431
Public benefit charge		1,269	1,269	2,966
Deferred revenue	269,620		269,620	256,209
Total current liabilities	286,626	6,197	292,823	297,862
Current Liabilities Payable from Restricted Assets:				
Current portion of mortgage revenue bonds		82,191	82,191	80,308
Accrued interest		4,531	4,531	4,768
Total Liabilities Payable from Restricted Assets		86,722	86,722	85,076
Noncurrent liabilities:				
Mortgage revenue bonds		1,161,327	1,161,327	1,241,635
Current portion of mortgage revenue bonds		(82,191)	(82,191)	(80,308)
Total noncurrent liabilities		1,079,136	1,079,136	1,161,327
Total Liabilities	286,626	1,172,055	1,458,681	1,544,265
<u>Net Assets</u>				
Investment in capital assets, net of related debt	888,792	2,978,789	3,867,581	3,860,037
Restricted		291,770	291,770	290,113
Unrestricted	1,426,856	1,386,704	2,813,560	2,603,632
Total Net Assets	2,315,648	4,657,263	6,972,911	6,753,782
Total Liabilities and Net Assets	\$ 2,602,274	\$ 5,829,318	\$ 8,431,592	\$ 8,298,047

Exhibit A-2
Village of Benton, Wisconsin
Statement of Activities
For the Year Ended December 31, 2009
(With summarized financial information for the Year Ended December 31, 2008)

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business Type Activities	Total	
							2009	2008
Primary Government:								
<u>Governmental activities:</u>								
General government	\$ 80,128	\$ 6,099	\$	\$	\$ (74,029)	\$	\$ (74,029)	\$ (66,280)
Public safety	147,082	10,352	1,333		(135,397)		(135,397)	(148,853)
Public works	117,537	9,102	30,625	8,649	(69,161)		(69,161)	(48,928)
Sanitation	51,374	45,834	4,738		(802)		(802)	63
Leisure activities	79,009	3,746	3,004	2,100	(70,159)		(70,159)	(60,500)
Industrial development	33,021				(33,021)		(33,021)	(27,683)
Total Expenses	<u>508,151</u>	<u>75,133</u>	<u>39,700</u>	<u>10,749</u>	<u>(382,569)</u>		<u>(382,569)</u>	<u>(352,181)</u>
<u>Business-type activities:</u>								
Electric & water	659,633	705,082		1,200		46,649	46,649	72,385
Sewer	234,902	218,860				(16,042)	(16,042)	(15,726)
Total business-type activities	<u>894,535</u>	<u>923,942</u>		<u>1,200</u>		<u>30,607</u>	<u>30,607</u>	<u>56,659</u>
Total primary government	<u>\$ 1,402,686</u>	<u>\$ 999,075</u>	<u>\$ 39,700</u>	<u>\$ 11,949</u>	<u>(382,569)</u>	<u>30,607</u>	<u>(351,962)</u>	<u>(295,522)</u>
General Revenues:								
Property Taxes								
General purposes					123,866		123,866	121,438
Tax Increments					131,254		131,254	133,111
Other taxes					660		660	1,320
Federal and State aid not restricted for specific purposes								
General					287,592		287,592	287,777
Interest and investment earnings					8,544	6,790	15,334	63,404
Gain on sale of fixed assets					5,034		5,034	12,590
Miscellaneous					7,351		7,351	18,856
Total general revenues					<u>564,301</u>	<u>6,790</u>	<u>571,091</u>	<u>638,496</u>
Special items:								
Transfers					63,020	(63,020)		
Total special items					<u>63,020</u>	<u>(63,020)</u>		
Changes in net assets					244,752	(25,623)	219,129	342,974
Net assets-beginning of year					2,070,896	4,682,886	6,753,782	6,410,808
Net assets-end of year					<u>\$ 2,315,648</u>	<u>\$ 4,657,263</u>	<u>\$ 6,972,911</u>	<u>\$ 6,753,782</u>

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

Exhibit A-3
Village of Benton, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2009

(With summarized financial information as December 31, 2008)

	General	TIF District #1	Total 2009	2008
<u>Assets:</u>				
Cash and Investments	\$ 1,488,788	\$ 24,166	\$ 1,512,954	\$ 1,407,438
Receivables:				
Taxes	115,755	118,649	234,404	230,716
Special assessments	2,426		2,426	10,607
Other	5,483		5,483	4,521
Prepaid expenses	414		414	
Due from Other Funds	123,791		123,791	116,984
Due from Other Governments	6,822		6,822	6,334
Notes receivable		24,194	24,194	24,194
Advances to Other Funds	256,881		256,881	397,128
 Total Assets	 \$ 2,000,360	 \$ 167,009	 \$ 2,167,369	 \$ 2,197,922
<u>Liabilities:</u>				
Accounts payable	\$ 10,692	\$	\$ 10,692	\$ 11,157
Advances from Other Funds	194,366	256,881	451,247	623,888
Due to other governments	6,314		6,314	20,972
Due to other funds	2,640		2,640	7,045
Deferred revenues	199,647	142,815	342,462	332,695
 Total Liabilities	 413,659	 399,696	 813,355	 995,757
<u>Fund Equity:</u>				
Fund Balance:				
Reserved:				
Reserved for Advances	62,515		62,515	170,368
Unreserved:				
Designated	361,000		361,000	361,000
Undesignated (Deficit), reported in:				
General	1,163,186		1,163,186	1,043,731
TIF District #1		(232,687)	(232,687)	(372,934)
 Total Fund Equity	 1,586,701	 (232,687)	 1,354,014	 1,202,165
 Total Liabilities and Fund Equity	 \$ 2,000,360	 \$ 167,009	 \$ 2,167,369	 \$ 2,197,922

Exhibit A-4
Village of Benton, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Assets
December 31, 2009
(With summarized financial information as of December 31, 2008)

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

	2009		2008
Total Fund balances-governmental funds:	<u>\$1,354,014</u>		<u>\$1,202,165</u>
Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net assets:			
Governmental capital asset	1,242,193		1,105,146
Governmental accumulated depreciation	<u>(353,401)</u>	888,792	<u>(312,901)</u>
			792,245
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Special assessments	9,822		19,334
2009 tax equivalent from utility	<u>63,020</u>		<u>57,152</u>
Net Assets of Governmental Funds	<u><u>\$2,315,648</u></u>		<u><u>\$2,070,896</u></u>

Exhibit A-5
Village of Benton, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009
(With summarized financial information for the Year Ended December 31, 2008)

	General	TIF District #1	Total	
			2009	2008
<u>Revenues:</u>				
Taxes	\$ 124,526	\$ 131,254	\$ 255,780	\$ 255,869
Special Assessments	18,161		18,161	14,884
Intergovernmental	340,494		340,494	361,669
Licenses and Permits	7,408		7,408	8,894
Fines and Forfeits	2,424		2,424	2,821
Public Charges for Services	49,293		49,293	42,870
Interest	8,544		8,544	31,079
Miscellaneous	8,544	9,247	17,791	33,154
Total Revenues	559,394	140,501	699,895	751,240
<u>Expenditures:</u>				
General Government	79,778		79,778	76,502
Public Safety	137,413		137,413	166,326
Public Works	84,809		84,809	88,390
Sanitation	51,374		51,374	47,220
Leisure Activities	72,956		72,956	63,589
Economic Development	32,767	254	33,021	27,683
Capital Outlay				
Public Works	131,482		131,482	170,457
Leisure Activities	14,365		14,365	
Total Expenditures	604,944	254	605,198	640,167
Excess of Revenues Over (Under) Expenditures	(45,550)	140,247	94,697	111,073
<u>Other Financing Sources:</u>				
Transfer from utility - tax equivalent	57,152		57,152	63,547
Net Change in Fund Balances	11,602	140,247	151,849	174,620
Fund Balance January 1	1,575,099	(372,934)	1,202,165	1,027,545
Fund Balance December 31	\$ 1,586,701	\$ (232,687)	\$ 1,354,014	\$ 1,202,165

Exhibit A-6
Village of Benton, Wisconsin
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009
(With summarized financial information for the Year Ended December 31, 2008)

	<u>2009</u>	<u>2008</u>
Net change in fund balances-total governmental funds	\$151,849	\$174,620
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	137,547	187,057
Depreciation expenses reported in the statement of activities	<u>(40,500)</u>	<u>(37,294)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period.	97,047	149,763
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net assets:		
	(500)	(1,218)
In governmental funds, special assessment collections are reflected as revenue when received. In the statement of activities, revenue is recognized when assessed.		
Amount collected.	(15,962)	(9,906)
Amount assessed	<u>6,450</u>	<u>4,278</u>
Amount assessed is greater than collected by:	(9,512)	(5,628)
In governmental funds, the current year utility tax equivalent is deferred and recognized as revenue in the subsequent year. In the statement of activities, this amount is recognized as a transfer in the year accrued.		
2008 utility tax equivalent recognized as revenue in 2009 in the governmental funds	(57,152)	(63,547)
2009 utility tax equivalent recognized as a transfer in for the statement of activities	<u>63,020</u>	<u>57,152</u>
	5,868	(6,395)
Change in net assets-governmental activities	<u>\$244,752</u>	<u>\$311,142</u>

Exhibit A-7
Village of Benton, Wisconsin
Statement of Net Assets
Proprietary Funds
December 31, 2009
(With summarized financial information as of December 31, 2008)

Assets	Electric & Water Utility	Sewer Utility	Total 2009	2008
<u>Current Assets:</u>				
Cash and Investments	\$ 855,893	\$ 339,432	\$ 1,195,325	\$ 1,088,015
Customer Accounts Receivable	72,053	21,128	93,181	93,046
Other Accounts Receivable				1,483
Due from Other Funds	4,713	948	5,661	9,950
Materials and Supplies	28,880		28,880	25,747
Total Current Assets	961,539	361,508	1,323,047	1,218,241
<u>Restricted Assets:</u>				
Bond Depreciation Fund	111,727	33,106	144,833	144,139
Bond Reserve Fund	66,854	84,614	151,468	150,742
Total Restricted Assets	178,581	117,720	296,301	294,881
<u>Fixed Assets:</u>				
Water	2,376,741		2,376,741	2,371,028
Electric	1,053,980		1,053,980	1,045,411
Sewerage Plant		3,504,762	3,504,762	3,493,865
Less: Accumulated Depreciation:	(1,343,002)	(1,452,365)	(2,795,367)	(2,600,877)
Net Property and Plant	2,087,719	2,052,397	4,140,116	4,309,427
<u>Other Assets:</u>				
Deferred Debits				6,706
Unamortized debt discount	1,349	951	2,300	2,687
Advances to other Funds	194,366		194,366	226,760
Total Other Assets	195,715	951	196,666	236,153
Total Assets	\$ 3,423,554	\$ 2,532,576	\$ 5,956,130	\$ 6,058,702

Exhibit A-7 (Cont'd)
Village of Benton, Wisconsin
Statement of Net Assets
Proprietary Funds
December 31, 2009
(With summarized financial information as of December 31, 2008)

Liabilities and Equity	Electric & Water Utility	Sewer Utility	Total	
			2009	2008
<u>Current Liabilities:</u>				
Accounts Payable	\$ 1,085	\$ 541	\$ 1,626	\$ 3,421
Due to Other Funds	108,076	18,736	126,812	119,889
Due to Other Governments	1,671		1,671	1,706
Customer Deposits	1,631		1,631	1,431
Public Benefits Charge	1,269		1,269	2,966
Total Current Liabilities	113,732	19,277	133,009	129,413
<u>Current Liabilities</u> (Payable from Restricted Assets):				
Current Portion of Mortgage Revenue Debt	30,025	52,166	82,191	80,308
Accrued Interest	1,186	3,345	4,531	4,768
Total Liabilities Payable from Restricted Assets	31,211	55,511	86,722	85,076
<u>Long-term Debt:</u>				
Mortgage Revenue Bonds	431,410	729,917	1,161,327	1,241,635
Less: current portion	(30,025)	(52,166)	(82,191)	(80,308)
Total Long-Term Debt	401,385	677,751	1,079,136	1,161,327
Total Liabilities	546,328	752,539	1,298,867	1,375,816
<u>Net Assets:</u>				
Investment in capital assets, net of related debt	1,656,309	1,322,480	2,978,789	3,067,792
Reserved	177,395	114,375	291,770	290,113
Unreserved (deficit)	1,043,522	343,182	1,386,704	1,324,981
Total Net Assets	2,877,226	1,780,037	4,657,263	4,682,886
Total Equity	2,877,226	1,780,037	4,657,263	4,682,886
Total Liabilities and Equity	\$ 3,423,554	\$ 2,532,576	\$ 5,956,130	\$ 6,058,702

Exhibit A-8
Village of Benton, Wisconsin
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2009
(With summarized financial information for the Year Ended December 31, 2008)

	Electric & Water Utility	Sewer Utility	Total	
			2009	2008
<u>Operating Revenues:</u>				
Electric	\$ 517,539	\$	\$ 517,539	\$ 534,350
Water	185,360		185,360	197,657
Sewer service		217,681	217,681	220,257
Other	2,183	1,179	3,362	4,595
Total Operating Revenues	705,082	218,860	923,942	956,859
<u>Operating Expenses:</u>				
Operation and maintenance	558,027	106,476	664,503	669,826
Depreciation expense	90,977	104,887	195,864	194,888
Taxes	3,058	2,827	5,885	7,471
Total Operating Expenses	652,062	214,190	866,252	872,185
Total Operating Income	53,020	4,670	57,690	84,674
<u>Nonoperating Revenues (Expenses):</u>				
Interest expense	(7,358)	(20,538)	(27,896)	(29,608)
Interest income	4,666	2,124	6,790	32,325
Amortization expense	(213)	(174)	(387)	(407)
Total Net Nonoperating Revenues (Expenses)	(2,905)	(18,588)	(21,493)	2,310
Income before contributions and transfers	50,115	(13,918)	36,197	86,984
Capital contributions	1,200		1,200	2,000
Transfer of tax equivalent	(63,020)		(63,020)	(57,152)
Changes in Net Assets	(11,705)	(13,918)	(25,623)	31,832
Net Assets - January 1	2,888,931	1,793,955	4,682,886	4,651,054
Net Assets - December 31	\$ 2,877,226	\$ 1,780,037	\$ 4,657,263	\$ 4,682,886

Exhibit A-9
Village of Benton, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009
(With summarized financial information for the Year Ended December 31, 2008)

	Business Type Activities- Enterprise Funds		Total	
	Electric & Water Utility	Sewer Utility	2009	2008
<u>Cash Flows From (Used by) Operating Activities:</u>				
Received from customers	\$ 705,419	\$ 219,871	\$ 925,290	\$ 955,467
Payments to employees	(70,328)	(37,822)	(108,150)	(102,016)
Payments for employee benefits	(12,926)	(4,336)	(17,262)	(14,111)
Payments to suppliers	(422,504)	(77,223)	(499,727)	(497,654)
Net Cash Flows From Operating Activities	199,661	100,490	300,151	341,686
<u>Cash Flows (Used by) Noncapital Financing Activities:</u>				
Paid to municipality for tax equivalent	(63,020)		(63,020)	(57,152)
Net Cash Flows (Used by) Noncapital Financing Activities:	(63,020)		(63,020)	(57,152)
<u>Cash Flows From (Used by) Capital and Related Financing Activities:</u>				
Acquisition and construction of capital assets	(20,082)	(19,577)	(39,659)	(57,230)
Capital contributions received	1,200		1,200	2,000
Proceeds from sale of fixed assets	11,709		11,709	2,625
Debt retired	(29,538)	(50,770)	(80,308)	(78,470)
Interest paid	(7,362)	(20,771)	(28,133)	(29,993)
Net Cash Flows (Used) by Capital and Related Financing Activities	(44,073)	(91,118)	(135,191)	(161,068)
<u>Cash Flows From Investing Activities:</u>				
Investment income	4,666	2,124	6,790	32,325
Net Cash Flows From Investing Activities	4,666	2,124	6,790	32,325
Net change in Cash and Cash Equivalents	97,234	11,496	108,730	155,791
Cash and Cash Equivalents - Beginning of Year	937,240	445,656	1,382,896	1,227,105
Cash and Cash Equivalents - End of Year	\$ 1,034,474	\$ 457,152	\$ 1,491,626	\$ 1,382,896

Exhibit A-9 (Continued)
Village of Benton, Wisconsin
Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2009

(With summarized financial information for the Year Ended December 31, 2008)

	Business Type Activities- Enterprise Funds		Total	
	Electric & Water Utility	Sewer Utility	2009	2008
<u>Reconciliation of operating income to net cash provided</u>				
<u>by operating activities:</u>				
Operating Income	\$ 53,020	\$ 4,670	\$ 57,690	\$ 84,674
Noncash items in operating income:				
Depreciation Expense	92,374	104,887	197,261	196,215
Changes in assets and liabilities:				
Customer accounts receivable	(1,146)	1,011	(135)	(2,134)
Advances to other funds	32,394		32,394	33,147
Other accounts receivable	1,483		1,483	742
Due from other funds	4,411	(122)	4,289	(6,233)
Materials and supplies	(3,133)		(3,133)	366
Deferred debits	6,706		6,706	6,707
Customer deposits	200		200	(375)
Accounts payable	947	(2,742)	(1,795)	1,976
Due other governments	1,405	(1,440)	(35)	1,386
Due to other funds	12,697	(5,774)	6,923	24,522
Public benefits	(1,697)		(1,697)	693
Net Cash Provided by Operating Activities	<u>\$ 199,661</u>	<u>\$ 100,490</u>	<u>\$ 300,151</u>	<u>\$ 341,686</u>
 <u>Reconciliation of Cash and Cash Equivalents to</u>				
<u>Statement of Net Asset Accounts</u>				
Cash and investments	\$ 855,893	\$ 339,432	\$ 1,195,325	\$ 1,088,015
Restricted cash and investments	<u>178,581</u>	<u>117,720</u>	<u>296,301</u>	<u>294,881</u>
Cash and Cash Equivalents	<u>\$ 1,034,474</u>	<u>\$ 457,152</u>	<u>\$ 1,491,626</u>	<u>\$ 1,382,896</u>

Exhibit A-10
Village of Benton, Wisconsin
Statement of Net Assets
Fiduciary Funds
December 31, 2009
(With summarized financial information as of December 31, 2008)

	Tax Collection Fund	
	2009	2008
Assets		
Cash and investments	\$ 126,672	\$ 100,465
Taxes receivable	621,931	606,715
Total Assets	<u>\$ 748,603</u>	<u>\$ 707,180</u>
Liabilities		
Due to other taxing units	<u>\$ 748,603</u>	<u>\$ 707,180</u>
Total Liabilities and Net Assets	<u>\$ 748,603</u>	<u>\$ 707,180</u>

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Benton is located in Lafayette County, Wisconsin. The accounting policies of the Village of Benton conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles. Significant accounting policies and principles of the Village of Benton are summarized below:

A. Reporting Entity

This report includes all of the funds of the Village of Benton, Wisconsin. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

Excluded from the reporting entity:

BENTON FIRE DISTRICT

The financial statements exclude the accounts of the Benton Fire District because the district has a separately elected governing body, is legally separate, and is fiscally independent.

HAZEL GREEN RESCUE SQUAD

The financial statements exclude the amounts of Hazel Green Rescue Squad because the Rescue Squad has a separately elected governing body, is legally separate, and is fiscally independent.

B. Government-Wide and Fund Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Cont.)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

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

Funds are organized in major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

The Village reports the following major governmental funds:

Major Governmental Funds:

General Fund – Accounts for the Village’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Cont.)

TIF District #1 Capital Project Fund – Accounts for the activity of tax increment district No. 1, including the payment of general long-term debt principal interest and related cost.

The Village reports the following major enterprise funds:

Major Enterprise Funds:

Electric and Water Utility – Accounts for operations of the electric and water system
Sewer Utility – Accounts for the operations of the sewer utility.

The Village does not have any non-major governmental funds:

In addition, the Village reports the following fund types:

Agency Fund - Accounts for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

-Tax agency

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

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water and sewer utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The Village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected to follow only the Financial Accounting Standards Board pronouncements issued before November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric and water utility and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues and expenditures arising from non-exchange transactions, such as property and sales taxes, fines, and grants are recorded according to the standards in Governmental Accounting Standards Board Statement 33 (GASB-33).

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

D. Deposits and Investments

All deposits of the Village are made in board designated official depositories and are secured as required by State Statute. The Village may designate, as an official depository, any bank or savings association. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

E. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying agency fund balance sheet.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property tax calendar - 2009 tax roll:

Lien date and levy date	December 2009
Tax bills mailed	December 2009
Payment in full, or	January 31, 2010
First installment due	January 31, 2010
Second installment due	July 31, 2010
Personal property taxes in full	January 31, 2010
Tax sale- 2009 delinquent real estate taxes	October 2012

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Village and the utilities because they have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds," Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds," Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

F. Inventories

Inventories of governmental fund types consist of expendable supplies held for consumption. Such amounts, which are not material, are considered expenditures when purchased and, accordingly, are not reflected on the Combined Balance Sheet - All Fund Types and Account Group.

Inventories of proprietary fund types are valued at the lower-of-cost or market using the first-in, first-out method and are charged as expenses or are capitalized when used.

G. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$2,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Buildings	20-40
Machinery and Equipment	2-15
Infrastructure	20-50
Vehicles	2-10
Land Improvements	10-20

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

I. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

Employees are granted vacation in varying amounts based on length of service. Vacation pay at year-end is not material to these financial statements. Sick leave hours are accumulated by employees for subsequent use. Employees earn ten days of sick leave per year of service with accumulation of up to 100 days. Sick leave does not vest to employees. Sick leave days accumulated over 100 days are paid out to the employee at their current rate at the end of each calendar year. Actual expenditures are recorded at the time the benefits are used by the employee, and will be paid at the rate of pay then in effect.

K. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

L. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

M. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt.
- b. Restricted net assets - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balances represent amounts not available for appropriation or is legally restricted by outside parties for use for a specific purpose. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

N. Budgets

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.C.

The Village budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and designated carryovers from prior years. Such revisions are required by a statutory provision, which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Changes to the overall budget must be approved by a two-thirds board action. A formal budget has not been adopted for the special revenue fund (TIF district). Control for the TIF district is maintained by comparison to the project plan. Budgetary comparisons are not required for proprietary funds.

Appropriations for the general fund lapse at year-end unless specifically carried forward by Board action. Carryovers are shown in Note 14.

O. Transfers

Transfers include the payment in lieu of taxes from the water and sewer utility to the general fund.

P. Income Tax

Municipal utilities are exempt from income taxes and therefore no income tax liability is recorded by the Benton Utilities.

Q. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

R. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Encumbrances

Encumbrances outstanding represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders at year-end are fulfilled. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not represent liabilities or expenditures. Encumbrances accounting applies only to governmental fund types. The Village does not use encumbrance accounting.

T. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been reflected in the government financial statements. Delinquent real estate taxes of the Village are paid in full by the County, which assumes the responsibility for collection. In addition, delinquent user charges are placed on the tax roll if not collected.

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 3

CASH AND INVESTMENTS

At December 31, 2009, cash and investments included the following:

Deposits with financial institutions	\$ 390,223
Wisconsin Local Government Investment Pool	<u>2,741,029</u>
Total cash and investments	<u>\$ 3,131,252</u>

Cash and investments as of December 31, 2009 are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 2,708,279
Cash and investments-restricted	296,301
Exhibit A-10:	
Cash and investments	<u>126,672</u>
Total cash and investments	<u>\$ 3,131,252</u>

Investments Authorized by Wisconsin State Statutes

Investment of Village funds is restricted by state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, district, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district
- Bonds issued by a local professional baseball park district
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority
- Bonds issued by a local football stadium district
- Bonds issued by a local arts district
- Bonds issued by the Wisconsin Aerospace Authority

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

The Village has chosen to limit its investment maturities to manage its exposure to fair value losses.

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than 3 years.
2. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired.

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

Investment Type	Remaining Maturity (in Months)	
	Amount	12 Months or Less
Certificates of Deposit	\$ 10,611	\$ 10,611
Local Government Investment Pool	2,741,029	2,741,029
Totals	\$ 2,751,640	\$ 2,751,640

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. In addition, the Village further limits its investments as follows:

1. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or the 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
2. Any bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality of special improvements, and may sell or hypothecate the bonds or securities. Funds of any employer, as defined by s. 40.02 (28), in a deferred compensation plan may also be invested and reinvested in the same manner authorized for investments under s.881.01(1).
3. Financial transactions in which a public depository, as defined in s. 34.01(5), agrees to repay funds advanced to it by the local government plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to the principal and interest by the federal government.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

At December 31, 2009, the Village's investment in the Wisconsin Local Government Investment Pool was not rated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in possession of another party.

The Village's investment policy states that the Village will select financial institutions as depositories based on the following criteria:

1. The financial institution must be a member of the FDIC or FSLIC and be eligible for coverage under the State of Wisconsin deposit guarantee program.
2. The Village's funds on deposit at any time must not exceed 75% of the institution's capital stock and surplus.

The policy also requires security of all cash investments maintained in any financial institution designated as a depository. Funds in excess of insured or guaranteed limits shall be secured by collateral. The Village will accept for collateral any of the following assets:

1. U.S. Government Obligations
2. U.S. Agencies
3. State Obligations
4. County, City and other government Obligations
5. Corporate Notes and Bonds

The fair market value of all collateral pledged will not be less than 110% of the amount of public funds to be secured at each institution. The ratio of fair market value of collateral to the amount of funds secured will be reviewed regularly and additional collateral will be requested when this ratio declines below the level required. Pledged collateral will be held in safe keeping by a third party. All collateral agreement will be written so as to preclude release of the assets without an authorized signature from the Village of Benton. The Village will allow for even exchange of collateral.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and \$250,000 for noninterest bearing accounts. In addition, the banks used by the Village participate in the FDIC's transaction account guarantee program. Under this program, the FDIC provides unlimited protection to all accounts earning less than .5% interest. This program is effective through June 30, 2010. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2009, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the Village.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the local government investment pool as of December 31, 2009 was: 88% in U.S. Government Securities, 12% in FDIC insured deposit accounts. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

As of December 31, 2009, the Village's deposits with financial institutions were fully insured.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year significantly exceeding uninsured amounts at the balance sheet date.

Concentration of Credit Risk

The Village places no limit on the amount the Village may invest in any one issuer. At December 31, 2009, the Village's only investment was the Wisconsin Local Government Investment Pool.

NOTE 4

RESTRICTED ASSETS

Bond Reserve and Depreciation Accounts: Represent cash and investments restricted in accordance with the revenue bond ordinance. (See Note 7).

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 5

DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2009 the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Property tax levy	\$ 127,801
Special charges	1,003
Tax increment receivable	142,815
2009 Water utility tax equivalent	61,020
Deferred Special Assessments	9,823
Total Deferred Revenue for Government Funds	<u>\$ 342,462</u>

NOTE 6

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance 1/1/09	Additions	Deletions	Balance 12/31/09
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 57,218	\$	\$ (500)	\$ 56,718
Other Capital Assets				
Buildings and improvements	494,014	14,365		508,379
Machinery and equipment	111,140			111,140
Vehicles	153,093			153,093
Infrastructure	289,681	123,182		412,863
Total other capital assets at historical costs	<u>1,047,928</u>	<u>137,547</u>		<u>1,185,475</u>
Less: Accumulated Depreciation for:				
Buildings and improvements	172,347	11,535		183,882
Machinery and equipment	72,322	5,944		78,266
Vehicles	64,044	15,009		79,053
Infrastructure	4,188	8,012		12,200
Total Accumulated depreciation	<u>312,901</u>	<u>40,500</u>		<u>353,401</u>
Net Other Capital Assets	<u>735,027</u>	<u>97,047</u>		<u>832,074</u>
Total Net Capital Assets	<u>\$ 792,245</u>	<u>\$ 97,047</u>	<u>\$ (500)</u>	<u>\$ 888,792</u>

GASB No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Village has elected to not include the cost of infrastructure acquired before January 1, 2004.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 6

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 350
Public Safety	9,669
Public Works (including infrastructure)	24,428
Leisure activities	6,053
Total Governmental Activities Depreciation Expense	<u>\$ 40,500</u>

	Balance 1/1/09	Additions	Salvage	Removals	Balance 12/31/09
<u>Business-Type Activities:</u>					
Capital assets not being depreciated:					
Intangible plant					
Land and land rights	\$ 5,495	\$	\$	\$	\$ 5,495
Total capital assets not being depreciated	<u>5,495</u>				<u>5,495</u>
Capital assets being depreciated:					
Water:					
Structures and Improvements	439,994				439,994
Pumping Equipment	1,790,204	6,213		(500)	1,795,917
Water Treatment	14,600				14,600
Transmission and Distribution	124,324				124,324
General Plant	1,503				1,503
Sewer:					
Structures and Improvements	2,096,050				2,096,050
Transmission and Distribution	1,129,129	19,577		(8,680)	1,140,026
Pumping Equipment	217,178				217,178
Miscellaneous Equipment	48,434				48,434
Electric:					
Structure and Improvements	1,101				1,101
Transmission and Distribution	1,000,589	13,869		(5,300)	1,009,158
General Plant	41,703				41,703
Total Capital Assets Being Depreciated	<u>6,904,809</u>	<u>39,659</u>		<u>(14,480)</u>	<u>6,929,988</u>
Total Accumulated Depreciation	2,600,877	197,261	11,709	(14,480)	2,795,367
Net Capital Assets Being Depreciated	<u>4,303,932</u>	<u>(157,602)</u>	<u>(11,709)</u>		<u>4,134,621</u>
Total Net Capital Assets	<u>\$4,309,427</u>	<u>\$ (157,602)</u>	<u>\$ (11,709)</u>	<u>\$</u>	<u>\$ 4,140,116</u>

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 6

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Electric and Water	\$ 92,374
Sewer	104,887
Total Depreciation Expense	<u>197,261</u>
Less: Electric and Water Depreciation Expense	
Allocated to Sewer	(1,397)
Total Depreciation Expense per Exhibit A-8	<u>\$ 195,864</u>

NOTE 7

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2009 was as follows:

	Beginning 1/1/09	Increases	Decreases	Balance 12/31/09	Amounts Due Within One Year
<u>Business -Type Activities</u>					
Mortgage revenue bonds	\$ 1,241,635	\$	\$ (80,308)	\$ 1,161,327	\$ 82,191
Total Business-Type Activities Long-Term Liabilities	<u>\$ 1,241,635</u>	<u>\$</u>	<u>\$ (80,308)</u>	<u>\$ 1,161,327</u>	<u>\$ 82,191</u>

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2009 was \$1,985,615. There was no general obligation debt outstanding at year-end.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 7

LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Bonds

Revenue bonds are payable only from revenues derived from the operation of the utility.

Revenue debt payable at December 31, 2009 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2009
Revenue Bonds	3/26/03	5/1/22	1.65%	\$ 601,600	\$ 431,410
Revenue Bonds	7/11/01	5/1/21	2.75%	1,100,000	729,917
Total Business-Type Activities Revenue Debt					<u>\$ 1,161,327</u>

Debt service requirements to maturity are as follows:

Year	Electric and Water Utility		Sewer Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 30,025	\$ 6,871	\$ 52,166	\$ 19,355	\$ 82,191	\$ 26,226
2011	30,521	6,371	53,601	17,901	84,122	24,272
2012	31,024	5,863	55,075	16,407	86,099	22,270
2013	31,536	5,347	56,589	14,871	88,125	20,218
2014	32,057	4,823	58,146	13,294	90,203	18,117
2015-2019	168,394	15,935	315,610	41,244	484,004	57,179
2020-2022	107,853	2,688	138,730	3,842	246,583	6,530
Totals	<u>\$ 431,410</u>	<u>\$ 47,898</u>	<u>\$ 729,917</u>	<u>\$ 126,914</u>	<u>\$ 1,161,327</u>	<u>\$ 174,812</u>

The bond resolutions require for the further protection of bond holders a statutory mortgage lien, created by Section 66.066 of the Wisconsin Statutes, upon the system which is recognized as valid and binding upon the Village.

Under the provisions of the resolutions, a portion of operating revenues must be set-aside to the Debt Service Fund. An amount equal to one-sixth (1/6) of the next installment of interest coming due on the bonds, and an amount equal to one-twelfth (1/12) of the next installment of principal of the bonds. The balance for the sewer account is \$84,614. The balance for the electric and water utility bond reserve account is \$66,854.

In addition, the bond resolutions require segregation of the proceeds of the mortgage revenue bonds and the creation and continual funding of several accounts from operating revenues as described below:

Depreciation Accounts

The bond resolutions require that sufficient income and revenues shall be set-aside in depreciation accounts to be used to restore any deficiencies in the special redemption and reserve accounts. When sufficient for this purpose, money may then be used for additions to and betterments of the system. Account is to be funded up to \$25,000 for the sewerage system and \$50,000 for the electric and water system.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 7

LONG-TERM OBLIGATIONS (CONTINUED)

The balances in these accounts at December 31, 2009 were as follows:

	<u>Depreciation</u>
Electric and Water Utility	\$ 111,727
Sewer Utility	<u>33,106</u>
Total	<u>\$ 144,833</u>

Surplus Fund

Deposit to the Surplus Fund, any remaining funds after the monthly transfers required for the Debt Service and Depreciation funds have been completed.

The resolutions require that rates and charges for services rendered by the system be such that annual "net earnings" be not less than 110% of the annual debt service on the bonds so that the amount set aside in the bond and interest special redemption fund will be adequate for payment of the bonds and interest thereon as they become payable. This requirement was met for 2009.

NOTE 8

DEFINED BENEFIT PENSION PLAN

All eligible Village of Benton employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year (440 hours for teachers) are eligible to participate in the System. Covered employees in the General/Teacher category are required by statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Village of Benton employees covered by the WRS for the year ended December 31, 2009 was \$203,116; the employer's total payroll was \$218,153. The total required contribution for the year ended December 31, 2009 was \$21,124, which consisted of 10.4 percent of the covered payroll from the employer. Total contributions for the years ending December 31, 2008 and 2007 were \$20,064 and \$20,359, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 8

DEFINED BENEFIT PENSION PLAN (CONTINUED)

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report, which may be obtained by writing to the Department of Employee Trust Funds, Post Office Box 7931, and Madison, Wisconsin 53707-7931.

NOTE 9

INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables were as follows on December 31, 2009:

Receivable Fund	Payable Fund	Amount
Government Funds:		
General	Electric and Water Utility	\$ 108,076
General	Sewer Utility	15,715
Total		<u>\$ 123,791</u>
Enterprise Funds:		
Electric and Water Utility	General	\$ 1,692
Electric and Water Utility	Sewer Utility	3,021
Sewer Utility	General	948
Total		<u>\$ 5,661</u>

The following is a schedule of interfund advances at December 31, 2009:

Receivable Fund	Payable Fund	Amount
Government Funds:		
General	TIF #1	\$ 256,881
Enterprise Funds:		
Electric	General	<u>\$ 194,366</u>

The Village advanced funds to the TIF district to pay for project costs incurred over and above amounts that had been originally borrowed to pay for these project costs. The repayment of these advances is subject to the tax incremental financing districts generating sufficient increments to pay the debt service for funds borrowed and advanced. No repayment schedule has been established for the advances from the general fund to the TIF district.

The advance from the electric utility to the general fund is payable over 9 years at \$32,394 per year with 0% interest.

For the statement of net assets, Interfund balances which are owned within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 9

INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

The following is a schedule of interfund transfers:

<u>Fund Transfer To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Government Funds:		
General	Water utility-tax equivalent	\$ 57,152
Proprietary Funds:		
General	Water utility-tax equivalent	\$ 63,020

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) used unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move fund balances whose designated purpose has been removed.

NOTE 10

TAX INCREMENTAL DISTRICT

The Village of Benton, Wisconsin Tax Incremental Financing District was created under the provisions of Wisconsin Statute Section 66.46. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the Districts. The tax on the increased value is called a tax increment.

Project costs may be incurred up to five years before the District's mandatory termination date. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum of 23 years (TID's created before October 1, 1995) or 20 years (TID's created after September 30, 1995). TID's created after October 1, 2004 will have a maximum life of 27 years for blight elimination districts and 20 years for industrial and mixed-use TID's. An industrial and mixed-use TID has the option to extend the maximum life by 5 years. Project cost uncollected at the dissolution date are absorbed by the municipality

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
District #1	9/8/93	9/7/15	9/7/20

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 10

TAX INCREMENTAL DISTRICT (CONTINUED)

Following is the cumulative status of the TIF District as of December 31, 2009:

Revenue:	
Grant	\$ 870,502
Computer Aid	203
Lot Sales & Misc.	346,856
Tax Increments	732,808
Total Revenue	<u>1,950,369</u>
Expenditures:	
Construction	2,095,308
Administration	20,669
Interest and Fiscal Charges	67,079
Total Expenditures	<u>2,183,056</u>
Amount to be Recovered Through Future Increments	<u>\$ 232,687</u>
Notes Receivable	\$ (24,194)
Advance from General Fund	<u>256,881</u>
Total	<u>\$ 232,687</u>

The amount to be recovered shown above will be increased by interest payments made in the future and by interest to be charged on the advances from other funds.

NOTE 11

JOINT VENTURES

- A) The Village of Benton and Town of Benton and parts of the town of New Diggings, operate the Benton Fire District and provide fire protection to the member districts. The communities share equally in the operation of the district.

The governing body consists of one elected official from each of the districts appointed by the governing board of that district. The governing body has authority to adopt its own budget and control the financial affairs of the district. The Village's contribution to the joint venture for 2009 was \$14,020.

Summary financial information of the Benton Fire District as of December 31, 2009 was not available.

The transactions of the Benton Fire District are not reflected in these financial statements.

- B) The Villages of Benton, Hazel Green and the Towns of Benton, Hazel Green, New Digging and Jamestown operate the Hazel Green Rescue Squad and provide ambulance services to member districts. The communities share operation of the Rescue Squad based on population.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 11

JOINT VENTURES (CONTINUED)

The governing body consists of one elected official from each of the districts appointed by the governing board of that district. The governing body has authority to adopt its own budget and control the financial affairs of the district. The Village's contribution to the joint venture for 2009 was \$7,927 for services.

Summary financial information of the Hazel Green Rescue Squad as of December 31, 2009 was not available.

The transactions of the Rescue Squad are not reflected in these financial statements.

NOTE 12

GOVERNMENTAL ACTIVITIES NET ASSETS/FUND BALANCES

GOVERNMENTAL ACTIVITIES

Governmental activities net assets reported on the government wide statement of net assets at December 31, 2009 includes the following:

Invested in capital assets, net of related debt	
Land	\$ 56,718
Other capital assets, net of accumulated depreciation	<u>832,074</u>
Total Invested Capital Assets	888,792
Unrestricted	<u>1,426,856</u>
Total Governmental Activities Net Assets	<u>\$ 2,315,648</u>

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2009 includes the following:

<u>Reserved</u>	
Major Funds:	
General Fund:	
Advance to other funds	<u>\$ 62,515</u>

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 12 GOVERNMENTAL ACTIVITIES NET ASSETS/FUND BALANCES (CONTINUED)

Designated fund balance as of December 31, 2009 includes the following items:

Major Funds	
General Fund:	
Designated for:	
Library	\$ 11,000
Fire Truck	84,000
Computer	4,700
Copier	3,000
Dump Truck	49,500
Tractor	5,000
Police Car	3,000
Radios	2,200
Street Sweeper	44,400
Pickup	8,000
Streets	54,000
Main Street Repair	46,200
Hi-Arm Truck	44,000
Ambulance	2,000
Total Designated	<u>361,000</u>
Undesignated	<u>1,163,186</u>
Total General Fund	<u>\$ 1,586,701</u>
TIF District No. 1 (deficit)	<u>\$ (232,687)</u>

NOTE 13 NET ASSET RESERVATION – PROPRIETARY FUNDS

Portions of net assets are reserved and are not available for current expenses as follows:

Enterprise Funds:	
Electric & Water Utility	
Reserved for Mortgage Revenue Bonds	\$ 177,395
Sewer Utility	
Reserved for Mortgage Revenue Bonds	114,375
Total	<u>\$ 291,770</u>

NOTE 14 NOTES RECEIVABLE

The Village has a note receivable from Benton Community Development Corporation for \$24,194. This amount was due in full on April 1, 2007 with an interest rate of 6%. Benton Community Development Corporation has limited funds and was not be able to pay the full amount in 2009. No other repayment schedule has been approved.

VILLAGE OF BENTON, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2009

NOTE 15

TAX LEVY LIMIT

Wisconsin Act 25, effective July 27, 2005, imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties for a two-year period. The Act limits the increase in the tax levy to the greater of the percentage change in the Village's January 1 equalized value as a result of net new construction or two percent. The levy limit is applied to both operations and debt service. However, the Act allows the limit to be increased for debt service in certain situations.

NOTE 16

COMMITMENTS

The Village has guaranteed a \$225,000 loan made to the Benton Community Development Corporation. The loan originated December 19, 2006 and has an annual interest rate of 4%. The loan balance was \$192,476 as of December 31, 2009.

NOTE 17

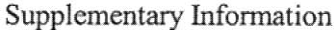
SUBSEQUENT EVENTS

Subsequent to December 31, 2009, the Village approved various public works projects of approximately \$123,415 and the purchase of a mower for \$7,700.

Dependence on

Exhibit B-1
Required Supplementary Information
Village of Benton, Wisconsin
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variances- Positive (Negative)	
	Original	Final	Actual	Original to Actual	Final to Actual
<u>Revenues:</u>					
Taxes	\$ 123,866	\$ 123,866	\$ 124,526	\$ 660	660
Special assessments			18,161	18,161	18,161
Intergovernmental	362,746	362,746	340,494	(22,252)	(22,252)
Licenses and permits	6,885	6,885	7,408	523	523
Fines and forfeitures	2,750	2,750	2,424	(326)	(326)
Public charges for services	59,265	59,265	49,293	(9,972)	(9,972)
Interest income	30,500	30,500	8,544	(21,956)	(21,956)
Miscellaneous	15	15	8,544	8,529	8,529
Total Revenues	586,027	586,027	559,394	(26,633)	(26,633)
<u>Expenditures:</u>					
Current:					
General government	84,160	86,315	79,778	4,382	6,537
Public safety	146,725	146,934	137,413	9,312	9,521
Public works	275,600	280,355	84,809	190,791	195,546
Sanitation	40,000	51,374	51,374	(11,374)	
Leisure activities	73,082	84,591	72,956	126	11,635
Economic development	46,000	46,000	32,767	13,233	13,233
Capital outlay:	361,000	330,998	145,847	215,153	185,151
Total Expenditures	1,026,567	1,026,567	604,944	421,623	421,623
Excess Revenues Over Expenditures	(440,540)	(440,540)	(45,550)	394,990	394,990
<u>Other Financing Sources:</u>					
Transfer from utility - tax equivalent	64,540	64,540	57,152	(7,388)	(7,388)
Net Change in Fund Balance	(376,000)	(376,000)	11,602	387,602	387,602
Fund Balance - Beginning of year	1,575,099	1,575,099	1,575,099		
Fund Balance - End of year	\$ 1,199,099	\$ 1,199,099	\$ 1,586,701	\$ 387,602	\$ 387,602



Schedule 1
Village of Benton, Wisconsin
Combining Balance Sheet - Proprietary Funds
December 31, 2009

Assets	Electric Utility	Water Utility	Total
<u>Current Assets:</u>			
Cash and Investments	\$ 617,977	\$ 237,916	\$ 855,893
Customer Accounts Receivable	54,619	17,434	72,053
Due from Other Funds	1,124	3,589	4,713
Materials and Supplies	18,657	10,223	28,880
Total Current Assets	692,377	269,162	961,539
<u>Restricted Assets:</u>			
Bond Depreciation Fund	65,314	46,413	111,727
Bond Reserve Fund	66,854		66,854
Total Restricted Assets	132,168	46,413	178,581
<u>Utility Plant (At Cost):</u>			
Water		2,376,741	2,376,741
Electric	1,053,980		1,053,980
Less: Accumulated Depreciation:			
Water		(572,221)	(572,221)
Electric	(770,781)		(770,781)
Net Utility Plant	283,199	1,804,520	2,087,719
<u>Other Assets:</u>			
Advances due from other Funds	194,366		194,366
Unamortized debt discount		1,349	1,349
Total Other Assets	194,366	1,349	195,715
Total Assets	\$ 1,302,110	\$ 2,121,444	\$ 3,423,554

Schedule 1 (Cont'd)
Village of Benton, Wisconsin
Combining Balance Sheet - Proprietary Funds
December 31, 2009

Liabilities and Equity	Electric Utility	Water Utility	Total
<u>Current Liabilities:</u>			
Accounts Payable	\$ 1,085		\$ 1,085
Due to Other Funds	66,701	41,375	108,076
Due to Other Governments	1,671		1,671
Customer Deposits	1,631		1,631
Public Benefits Charge	1,269		1,269
Total Current Liabilities	72,357	41,375	113,732
<u>Current Liabilities</u> <u>(Payable from Restricted Assets):</u>			
Current Portion of Mortgage Revenue Debt		30,025	30,025
Accrued Interest on Mortgage Revenue Debt		1,186	1,186
Total Liabilities Payable from Restricted Assets		31,211	31,211
<u>Long-term Debt:</u>			
Mortgage revenue bonds		431,410	431,410
Less: current portion		(30,025)	(30,025)
Total Long-Term Debt		401,385	401,385
Total Liabilities	72,357	473,971	546,328
<u>Retained Earnings:</u>			
Investment in capital assets, net of related debt	283,199	1,373,110	1,656,309
Reserved	132,168	45,227	177,395
Unreserved	814,386	229,136	1,043,522
Total Retained Earnings	1,229,753	1,647,473	2,877,226
Total Equity	1,229,753	1,647,473	2,877,226
Total Liabilities and Equity	\$ 1,302,110	\$ 2,121,444	\$ 3,423,554

Schedule 2
Village of Benton, Wisconsin
Combining Statement of Revenues, Expenditures
and Changes in Net Assets - Proprietary Funds
For the Year Ended December 31, 2009

	Electric Utility	Water Utility	Total
<u>Operating Revenues:</u>			
Electric	\$ 517,539	\$	\$ 517,539
Water		185,360	185,360
Other	575	1,608	2,183
Total Operating Revenues	518,114	186,968	705,082
<u>Operating Expenses:</u>			
Operation and maintenance	470,122	87,905	558,027
Depreciation expense	37,369	53,608	90,977
Taxes	2,456	602	3,058
Total Operating Expenses	509,947	142,115	652,062
Total Operating Income	8,167	44,853	53,020
<u>Nonoperating Revenues (Expenses):</u>			
Interest expense		(7,358)	(7,358)
Interest income	4,443	223	4,666
Amortization expense		(213)	(213)
Total Net Nonoperating Revenues (Expenses)	4,443	(7,348)	(2,905)
Income before contributions and transfers	12,610	37,505	50,115
Capital contributions		1,200	1,200
Transfer of tax equivalent	(19,645)	(43,375)	(63,020)
Change in Net Assets	(7,035)	(4,670)	(11,705)
Retained Earnings January 1	1,236,788	1,652,143	2,888,931
Retained Earnings December 31	\$ 1,229,753	\$ 1,647,473	\$ 2,877,226

Schedule 3
Benton Municipal Electric and Water Utility and Sewerage System
Schedule of Insurance
December 31, 2009

Company	Type	Coverage	Term
Local Government Insurance Fund	Multi-Peril	\$6,024,439 - Buildings and Contents \$500 deductible \$ 318,069- Contractors' Equipment \$500 deductible	6/1/09 - 5/31/10
League of WI Municipalities	Linebacker	\$3,000,000/Loss/Aggregate; \$2,500 deductible	6/1/09 - 5/31/10
League of WI Municipalities	General Liability	\$3,000,000/Aggregate - Property Damage \$3,000,000 - Personal and Advertising \$3,000,000 - Products - Completed Operations \$3,000,000/Occurrence \$ 250,000/Damage	6/1/09 - 5/31/10
League of WI Municipalities	Automobile	\$3,000,000 - Liability \$10,000 - Auto Medical Payments \$300,000 - Uninsured Motorists Comprehensive, Collision \$ 25,000/50,000 - Underinsured Motorist	6/1/09 - 5/31/10
League of WI Municipalities	Workers Compensation	\$ 2,000,000 Per Occurrence \$100,000/Accident \$100,000/Disease/Employee \$500,000/Disease/Policy Limit	6/1/09 - 5/31/10
League of WI Municipalities	Employee Benefits Liability Declaration	\$3,000,000/Each Claim \$3,000,000/Aggregate Limit	6/1/09 - 5/31/10
Baer Insurance	Bond	\$25,000 Limit	11/1/09 - 10/31/10

Schedule 4
Benton Municipal Electric and Water
Utility and Sewerage System
Other Information
December 31, 2009

Number of Connections by Class of User:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Residential	437	414	382
Commercial	82	35	33
Public Authority	<u>9</u>	<u>10</u>	<u>6</u>
Total	<u>528</u>	<u>459</u>	<u>421</u>

Volume of Water (In Gallons) Used

	<u>2009</u>
Residential, Commercial and Industrial	14,926
Public Authority	<u>1,251</u>
Total	<u>16,177</u>