Yoakum, Lovell & Co., PLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Financial Statements
and Supplementary Information

December 31, 2015 and 2014

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Benton Municipal Light and Water Works
City of Benton, State of Arkansas
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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, 2015. Please read it in conjunction with the Utility System's financial statements, which are presented on pages 7 through 18.

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, 2015 and 2014. 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.

2015 Financial Highlights

- The Utility's total revenues increased by $627,965 or 1.90% from $33,042,519 at December 31, 2014, to $33,670,484 at December 31, 2015. The increase in revenues is in great part due to an increase in water utility rates and warmer temperatures increasing electrical and water uses especially during the summer months.

- The Utility's total expenses increased by $1,297,432 or 3.92% from $33,121,125 at December 31, 2014, to $34,418,557 at December 31, 2015. The increase in expenses is in corresponds to the increase in usage from 2014 to 2015.

- The Utility's total assets and deferred outflows of resources increased by $597,546 or .62% from $96,864,529 at December 31, 2014, to $97,462,075 at December 31, 2015. The main reason for the increase is due to increases to the deferred loss in 2015.

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 increased by 34.53% or $6,881 due to an increase of restricted interest income on bond money for utility projects.

Condensed Statements of Net Position

	2015	(Restated) 2014	(Restated) 2013
Current Assets	$ 9,994,594	$ 9,765,379	$ 10,248,280
Restricted Assets	3,182,096	3,924,761	5,731,044
Capital Assets, Net	83,435,299	83,104,784	83,743,135
Deferred Outflows	850,086	69,605	76,637
Total Assets and Deferred Outflows	$ 97,462,075	$ 96,864,529	$ 99,799,096
Current Liabilities	$ 6,127,237	$ 6,197,897	$ 7,364,604
Long-Term Liabilities	51,025,536	51,967,820	54,595,480
Total Liabilities	57,152,773	58,165,717	61,960,084
Net Investment in Capital Assets	34,676,446	32,557,851	33,587,313
Restricted	1,791,668	2,363,742	2,354,896
Unrestricted	3,841,188	3,777,219	1,896,803
Total Net Position	40,309,302	38,698,812	37,839,012
Total Liabilities and Net Position	$ 97,462,075	$ 96,864,529	$ 99,799,096

Total net position increased by $1,610,490 from $38,698,812 at December 31, 2014, to $40,309,302 at December 31, 2015, an increase of 4.16%. Current liabilities decreased by $70,660, or 1.14%.

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

	2015	(Restated) 2014	(Restated) 2013
Operating Revenues:			
Services Fees and Penalties	$ 33,422,147	$ 32,777,210	$ 36,217,975
Other Revenue	221,527	245,380	188,575
Total Operating Revenues	33,643,674	33,022,590	36,406,550
Investment Income	26,810	19,929	22,542
Total Revenue	33,670,484	33,042,519	36,429,092
Operating Expenses:			
Power Costs	15,218,778	15,876,653	22,026,435
Plant Production Expenses	2,306,155	1,935,068	2,103,957
General and Distribution Expenses	5,227,052	4,509,941	4,825,167
Administrative Expenses	2,276,809	1,921,829	2,317,672
Depreciation Expense	5,232,639	5,078,522	4,812,558
Franchise Fees	1,838,373	1,762,016	1,803,828
Total Operating Expenses	32,099,806	31,084,029	37,889,617
Issuance Cost of Refunding Bonds	437,975		
Interest Expense	1,880,776	2,037,096	1,935,047
Total Expenses	34,418,557	33,121,125	39,824,664
Net Income (Loss) Before Contributions and Transfers	(748,073)	(78,606)	(3,395,572)
Capital Contributions	2,094,588	606,941	156,201
Transfers	263,975	331,465	264,660
Change in Net Position	1,610,490	859,800	(2,974,711)
Net Position at Beginning of Year	38,698,812	37,839,012	40,813,723
Net Position at End of Year	$ 40,309,302	$ 38,698,812	$ 37,839,012

Total revenues from services, fees and penalties reflect an increase from 2014 to 2015. The increase amount was $644,937, or 1.97%. The increase in revenues is in great part due to an increase in water utility rates and warmer temperatures increasing electrical and water uses especially during the summer months.

Net loss of $748,073 before capital contributions, transfers, and extraordinary items, less capital contributions of $2,094,588, less transfers from the City of Benton of $263,975 were the three items that resulted in an increase of $1,610,490 in net position for the year ending December 31, 2015.

Capital Assets

At December 31, 2015, the Utility had $34,676,446 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 of 2015 was $2,118,595 or 6.50%, due to a decrease in bonds payable. A scheduled summary showing the changes to the revenue bonds payable during the year of 2015 can be found in Note 6 on page 14 of this audit report.

Debt Administration

At December 31, 2015, the Utility had $46,212,312 in outstanding revenue bonds payable compared to $48,482,489 outstanding at December 31, 2014. This decrease of $2,270,177 is the difference in the amount of bonds retired (paid off) during the year and the refunding of the 2006 issue with the 2015 issue. An accumulated compensable (accrued salary, vacation and sick leave) balance of $391,747 at December 31, 2015, is a decrease of $152,799 over the $544,546 accrued as of December 31, 2014. A scheduled summary showing changes to the debt administration can be found in Note 1G on page 11 of this audit report.

Economic Factors and Next Year's Budget and Rates

The Benton City Council approved a bond refinancing package in July 2015 which will save the Utility $2,796.510.60 through lowered interest rates. The annual debt service requirement did not increase with this refinancing and will not extend past the already existing number of years to retire existing debt. The bond issue that was refinanced is the 2006 Wastewater issue. The Wastewater Department has historically been a negative revenues operation. This department must become solvent in the near future. It is expected that this decrease in the bond payments will help accomplish this. The PUC will be requesting the City Council to approve 2% yearly increases for the Wastewater Rates to further improve the solvency of the Wastewater Department. The water rate increase sought and approved in January 2009, included an automatic 2% annual rate increase through the year 2015. The rate increases was expected to result in sufficient revenues to operate and maintain the system and cover debt service requirements. However, due to increased operations costs and reduction in wholesale revenues, it has fallen short of meeting the needs of the Water Department. The PUC requested that the 2% yearly increases for the Water Rates to continue through 2019. This was approved by the City Council in Dec. 2015. The 1st yearly increase is effective as of January 1, 2016. Having each utility (Electric, Water & 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. These future projects include: New Electric Substation north of Highway 5; Extending Electric, Water and Wastewater services down Highway 5; Completing the relocation of Water and Wastewater lines on Alcoa Road; and assisting the City with infrastructure for the new Riverside Park project.

In efforts to reduce the cost of wholesale power to customers in the City of Benton, the Benton Public Utility Commission successfully secured a 5 mw base load Power Purchase Agreement with the Missouri Joint Municipal Electric Utility Commission (MJMEUC) from Plum Point Unit #1 coal fired power plant in Osceola, Ark. This agreement began April 1, 2014 and will extend for the life of the unit. Plum Point Unit #1 has an anticipated length of operation through the year 2048. This new base load will supply approximately 10% of the city's annual electric load.

As explained in the FY 2007 management's discussion and analysis, the Utility began receiving its wholesale electric power supply from the Constellation Energy Group on April 1, 2007. The contracted purchase price represented an increase of $0.042656 per kwh over the previous Entergy contract price of $0.037500 per kwh. The Commission issued a request for proposals (RFP) in early March 2012 with the assistance of consulting engineer GDS in order to solicit bids from wholesale energy providers to provide power to the City of Benton beginning in April 2014. The Utility Commission was successful in signing a new wholesale electric contract on November 19, 2012, with Constellation Energy Group (Excelon) for the city's wholesale power requirements beginning April 1, 2014. The Utility's new wholesale contract reduced the energy cost to $.0492 per kwh through May 31, 2019. The balance of the electric power requirements over the 5 mw entitlement we have on Plum Point Unit #1 (PPA) is being provided by Constellation and their contract expires June 1, 2019. The Public Utility Commission passed a rate reduction of 17.5% beginning April 1, 2014, because of our new wholesale power contracts with Constellation and ownership in Plum Point power plant.

Contacting the City'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 Comptroller, Attn: Cindy Hawkins, at 1827 Dale Avenue, Benton, AR 72015, call (501) 776-5931, or e-mail at cindy@bentonar.org

Cindy Hawkins

Cindy Hawkins
Comptroller
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

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, 2015 and 2014, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2015 and 2014, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1, the financial statements present only the Benton Municipal Light and Water Works 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, 2015 and 2014, 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.

Other Matters

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 32 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 19 through 31 is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Change in Accounting Principle

As discussed in Note 10 to the financial statements, in 2015 the Benton Municipal Light and Water Works of the City of Benton, State of Arkansas adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Yoakum, Rowell & Co., PLC
Certified Public Accountants

Benton, Arkansas
February 29, 2016

Benton Municipal Light and Water Works
City of Benton, State of Arkansas
Statements of Net Position
December 31, 2015 and 2014

Assets and Deferred Outflows of Resources	2015	(Restated) 2014
Current Assets		
Cash and Cash Equivalents	$ 3,026,113	$ 2,876,429
Utility Billings, Net of Allowance for Uncollectibles	2,156,883	2,152,839
Accounts Receivable	142,526	1,534
Due from City Funds		53,112
Prepaid Expenses	101,549	100,157
Supplies Inventory	20,380	16,043
Board Designated Funds	4,547,143	4,565,265
Total Current Assets	9,994,594	9,765,379
Non-Current Assets		
Restricted Funds	3,182,096	3,924,761
Capital Assets:		
Total Plant, Property and Equipment	167,865,507	162,313,713
Less Accumulated Depreciation	(84,430,208)	(79,208,929)
Total Non-Current Assets	86,617,395	87,029,545
Deferred Outflows of Resources		
Deferred Loss on Early Retirement of Debt	850,086	69,605
Total Assets and Deferred Outflows of Resources	$ 97,462,075	$ 96,864,529

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

Liabilities and Net Position	2015	(Restated) 2014
Current Liabilities		
Accounts Payable	$ 1,648,326	$ 1,829,648
Customer Overpayments	6,871	9,524
Metered Deposits	1,772,948	1,643,455
Accrued Compensation	391,747	544,546
Sales Tax Payable	32,843	41,243
Accrued Interest Payable	671,950	734,304
Due to City Funds	147,126	
Bonds Payable - Current Maturities	1,455,426	1,395,177
Total Current Liabilities	6,127,237	6,197,897
Non-Current Liabilities		
Revenue Bonds Payable, Less Current Maturities	44,756,886	47,087,312
Premium on Revenue Bonds	3,539,017	2,291,367
Discount on Revenue Bonds	(142,390)	(157,318)
Net Pension Liability	2,872,023	2,746,459
Total Non-Current Liabilities	51,025,536	51,967,820
Total Liabilities	57,152,773	58,165,717
Net Position		
Net Investment in Capital Assets	34,676,446	32,557,851
Restricted for Debt Service	1,791,668	2,363,742
Unrestricted	3,841,188	3,777,219
Total Net Position	40,309,302	38,698,812
Total Liabilities and Net Position	$ 97,462,075	$ 96,864,529

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, 2015 and 2014

	2015	(Restated) 2014
Operating Revenues		
Charges for Service	$ 32,483,960	$ 31,900,710
Service Charges and Connection Fees	703,763	639,350
Penalties	234,424	237,150
Other Income	221,527	245,380
Total Operating Revenues	33,643,674	33,022,590
Operating Expenses		
Power Costs	15,218,778	15,876,653
Plant Production Expenses	2,306,155	1,935,068
General and Distribution Expenses	5,227,052	4,509,941
Administrative Expenses	2,276,809	1,921,829
Depreciation	5,232,639	5,078,522
Franchise Fees	1,838,373	1,762,016
Total Operating Expenses	32,099,806	31,084,029
Operating Income	1,543,868	1,938,561
Non-Operating Revenues (Expenses)		
Interest Income	26,810	19,929
Interest Expense	(1,880,776)	(2,037,096)
Issuance Costs of Refunding Bonds	(437,975)	
Total Non-Operating Revenues (Expenses)	(2,291,941)	(2,017,167)
Net Loss Before Contributions and Transfers	(748,073)	(78,606)
Capital Contributions	2,094,588	606,941
Transfers from the City of Benton Appropriations	263,975	331,465
Changes in Net Position	1,610,490	859,800
Total Net Position - Beginning of Year	38,698,812	37,839,012
Total Net Position - End of Year	$ 40,309,302	$ 38,698,812

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, 2015 and 2014

	2015	(Rerstated) 2014
Cash Flows from Operating Activities		
Receipts from Customers	$ 33,407,050	$ 33,314,469
Payments to Suppliers	(19,493,818)	(21,017,830)
Payments to Employees	(5,942,301)	(5,504,825)
Payments to City for Franchise Fees	(1,710,261)	(1,765,000)
Other Receipts	80,535	266,943
Net Cash Provided by Operating Activities	6,341,205	5,293,757
Cash Flow from Non-Capital Financing Activities		
Transfers to Board Designated Funds	18,122	(126,235)
Transfers from City Funds	336,101	85,514
Net Cash Provided (Used) by Non-Capital Financing Activities	354,223	(40,721)
Cash Flows from Capital and Related Financing		
Purchases of Capital Assets	(5,323,621)	(3,818,889)
Principal Paid On Capital Debt	(27,895,177)	(1,369,940)
Interest Paid On Capital Debt	(1,677,056)	(2,241,418)
Proceeds from Revenue Bonds Issued	28,217,930	
Deferred Loss of Revenue Bonds	(2,376,907)	
Bond Issuance Costs	(437,975)	
Contributions from Developers	2,048,094	201,889
Transfers from Restricted Accounts	872,158	1,929,751
Net Cash Used by Capital and Related Financing	(6,572,554)	(5,298,607)
Cash Flows from Investing Activities		
Interest Received	26,810	23,803
Net Cash Provided by Investing Activities	26,810	23,803
Net Change in Cash and Cash Equivalents	149,684	(21,768)
Cash and Cash Equivalents - Beginning of Year	2,876,429	2,898,197
Cash and Cash Equivalents - End of Year	$ 3,026,113	$ 2,876,429
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	$ 1,543,868	$ 1,938,561
Items Not Requiring Cash:		
Depreciation	5,232,639	5,078,522
Changes in Assets and Liabilities:		
Receivables, Net	(87,893)	516,923
Prepaids	(1,392)	60,265
Inventories	(4,337)	2,281
Accounts Payable	(306,045)	(1,230,379)
Accrued Expenses	(161,199)	(15,103)
Net Pension Liability	125,564	(1,057,313)
Net Cash Provided by Operating Activities	$ 6,341,205	$ 5,293,757

Non-Cash Capital Financing Activities:

Capital assets of $46,494 and $405,052 were acquired through noncash contributions from street projects and developers for the years ended December 31, 2016 and 2015, respectively.

The accompanying notes are an integral part of these 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 or 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, 2015 and 2014, respectively:

	2015	2014
Accrued Salaries	$ 74,889	$ 188,661
Accrued Vacation	86,478	86,784
Accrued Sick	230,380	269,101
	$ 391,747	$ 544,546

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

H. 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

I. 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.

J. 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.

K. Capitalized Interest - Interest costs are capitalized when incurred by the Utilities on debt where proceeds were used to finance the construction of assets. See Note 4 for the interest capitalized during the year.

Note 2: Board Designated Funds

The Benton Public Utilities Board has designated the following funds as of December 31, 2015 and 2014:

	2015	2014
Public Utility Reservoir Contingent Fund	$ 91,407	$ 90,860
Public Utility Emergency Fund	2,172,269	2,159,277
Water System Capital Improvement Fund	743,041	442,480
Electric Capital Improvement Fund	305,794	499,001
Facilities Capital Improvement Fund	138,844	138,706
Wastewater Capital Improvement Fund	162,638	62,536
Alcoa Road Relocation and Improvement Fund	202,441	997,344

Note 2: Board Designated Funds (Cont'd)

Construction Fund	175,161	175,061
Economic Development Fund	555,548	
	$ 4,547,143	$ 4,565,265

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

Note 3: Restricted Funds

The restricted funds as of December 31, 2015 and 2014 are as follows:

	2015	2014
Bond Funds	$ 827,505	$ 1,296,155
Debt Service Funds	1,636,113	1,801,891
Depreciation Fund	718,478	826,715
Total Restricted Funds	$ 3,182,096	$ 3,924,761

Restricted funds consist of funds in depository accounts and Treasury and Government Obligations. It is management's intent to hold the obligations to maturity, therefore the notes are carried at cost which approximates fair value.

Note 4: Supplemental Cash Flow Disclosure

The interest paid in the years ended December 31, 2015 and 2014 was $1,677,056 and $2,241,418, respectively.

Note 5: Capital Assets

The following is a summary of capital assets as of December 31, 2015 and 2014:

	Balance 12/31/14	Additions	Deletions	Transfers	Balance 12/31/15
Land	$ 941,476	$ 59,166	$	$	$ 1,000,642
Buildings - Administrative	1,000,466				1,000,466
Vehicles	3,189,141	93,211	(11,360)		3,270,992
Furniture and Office Equipment	175,781				175,781
Service Facilities and Equipment	154,502,788	1,808,545		2,675,922	158,987,255
Construction Materials	1,187,861	325,809			1,513,670
Construction in Process	1,316,200	3,276,423		(2,675,922)	1,916,701
	$ 162,313,713	$ 5,563,154	$ (11,360)	$	$ 167,865,507

Note 5: Capital Assets (Cont'd)

	Balance 12/31/13	Additions	Deletions	Transfers	Balance 12/31/14
Land	$ 895,926	$	$	$ 45,550	$ 941,476
Buildings - Administrative	984,656	15,810			1,000,466
Vehicles	3,276,289	350,832	(437,980)		3,189,141
Furniture and Office Equipment	175,781				175,781
Service Facilities and Equipment	144,828,411	1,905,797	(7,414)	7,775,994	154,502,788
Construction Materials	840,029	347,832			1,187,861
Construction in Process	7,317,844	1,819,900		(7,821,544)	1,316,200
	$ 158,318,936	$ 4,440,171	$ (445,394)	$	$ 162,313,713

Note 6: Revenue Bonds Payable

The interest rates and maturity dates of the revenue bonds payable as of December 31, 2015 are as follows:

Issue of March 6, 2009	4.75%	6/01/2039
Issue of April 1, 2012	1.00% to 5.00%	9/01/2036
Issue of July 1, 2015	2.00% to 5.00%	9/01/2036

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

	2015	2014	2013
Beginning Balance	$ 48,482,489	$ 49,852,429	$ 51,192,142
Issued	25,625,000		
Retired	(27,895,177)	(1,369,940)	(1,339,713)
Ending Balance	$ 46,212,312	$ 48,482,489	$ 49,852,429

Maturities of revenue bonds as of December 31, 2015 are as follows:

	Principal	Interest and Service Fees	Total
2016	$ 1,455,426	$ 2,023,884	$ 3,479,310
2017	1,505,687	1,973,323	3,479,010
2018	1,545,960	1,930,200	3,476,160
2019	1,591,247	1,888,563	3,479,810
2020	1,636,547	1,840,713	3,477,260
2021-2025	9,197,769	8,191,181	17,388,950
2026-2030	11,467,763	5,917,312	17,385,075
2031-2035	14,440,398	2,950,402	17,390,800
2036-2039	3,371,515	145,757	3,517,272
	$ 46,212,312	$ 26,861,335	$ 73,073,647

Note 6: Revenue Bonds Payable (Cont'd)

Bond Premium – The series 2006, 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, 2015 and 2014 was $220,554 and $191,063, respectively. For the year ended December 31, 2014, $3,755 of the amortization was capitalized. The remaining amortization is included in interest expense on the statement of revenues and expenses.

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, 2015 and 2014 was $14,929 and $15,892, respectively. For the year ended December 31, 2014, $548 of the amortization was capitalized. The remaining amortization is included in interest expense on the statement of revenues and expenses.

Loss from Early Retirement of Debt – The Benton Utilities Commission on December 12, 2011 requested and received a resolution dated December 19, 2011 from the Benton City Council for the issuance of a 2012 Refunding and Improvement Bond Issue. The bonds were issued April 1, 2012. The proceeds of the $24,600,000 issue refunded the 1995, 1997, 2001a, 2002, 2004a and 2004b bonds outstanding. The Benton Utilities Commission requested and received a resolution dated June 8, 2015 from the Benton City Council for the issuance of a 2015 Refunding Bond Issue. The bonds were issued July 1, 2015. The proceeds of the $25,625,000 issue refunded the 2006 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 and $810,515 for the 2015 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, 2015 and 2014 was $30,034 and $7,032, respectively. For the years ended December 31, 2015 and 2014, this amortization is included in interest expense on the statement of revenues and expenses.

Note 7: Retirement Plan

The employees of the Benton Municipal Light and Water Works 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 2015 is not available.

For financial statement purposes, the Utilities has recorded net pension liability for the year ending December 31, 2014 using December 31, 2013 actuarial information and recorded net pension liability for the year ending December 31, 2015 using December 31, 2014 actuarial information.

Membership in the plan as of December 31, 2014, is as follows:

Retirees and beneficiaries currently receiving benefits	53
Vested terminated employees	26
Disabled	1
Current employees	73
Total	153

Note 7: Retirement Plan (Cont'd)

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

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.

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

	2014	2013	2012
Total Pension Liability			
Service Cost	$ 335,144	$ 337,147	$ 307,809
Interest	1,074,426	1,038,990	959,291
Differences Between Actual and Expected Experience	116,426	(164,843)	498,699
Benefit Payments	(742,510)	(665,637)	(618,165)
Net Change in Total Pension Liability	$ 783,486	$ 545,657	$ 1,147,634
Total Pension Liability – Beginning	$ 15,552,621	$ 15,006,964	$ 13,859,330
Total Pension Liability – Ending	$ 16,336,107	$ 15,552,621	$ 15,006,964
Plan Fiduciary Net Position			
Contributions – Employee Mandatory	$ 29,480	$ 14,000	$ 2,263
Contributions – Employer	750,000	700,000	725,000
Net Investment Income	620,952	1,554,607	918,794
Benefits Payments	(742,510)	(665,637)	(618,165)
Net Change in Plan Net Position	$ 657,922	$ 1,602,970	$ 1,027,892
Net Position – Beginning	$ 12,806,162	$ 11,203,192	$ 10,175,300
Net Position – Ending	$ 13,464,084	$ 12,806,162	$ 11,203,192

The annual required contribution for 2015 was determined as part of the January 1, 2015, actuarial valuation using the entry age normal cost method. The actuarial assumptions included 7.0% 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.

Note 7: Retirement Plan (Cont'd)

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:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Fixed Income	30%	5.0%
Domestic Equity	50%	7.8%
Foreign Equity	5%	9.0%
Alternatives	8%	7.3%
Cash	7%	2.0%
Total	100%	6.6%

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 7.0% 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 7.0% and the municipal bond rate of 4.29%. 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 7.0% 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:

	1% Decrease to 6.0%	Current Single Rate Assumed	1% Increase to 8.0%
Total Pension Liability	$ 18,319,749	$ 16,336,107	$ 14,705,102
Net Pension Liability	$ 4,855,665	$ 2,872,023	$ 1,241,018

Note 8: Subsequent Events

Management has evaluated subsequent events through February 29, 2016, the date which the financial statements were available to be issued.

Note 9: 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 $147,126 and the Utilities was owed from the City $53,112 at December 31, 2015 and 2014, respectively. In the year ended December 31, 2015 the City transferred $400,000 to the Utilities for ongoing Utility construction projects.

Note 10: Restatement of Financial Statements

In June 2012, the Governmental Accounting Standards Board issued GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This statement replaces the requirements of Statement No. 27 *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50 *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts. GASB Statement No. 68 is effective for fiscal years beginning after June 15, 2014. This statement requires the liability of employers to employees for defined benefit plans (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The Utilities has restated its 2013 financial statements for amounts previously reported when the Utilities adopted GASB Statement No. 68. The restatement includes an adjustment to (a) expense prior period net pension liability of $3,803,772 related to the net pension liability prior to 2014, (b) reducing pension expense of $1,057,313 related to the 2013 net pension liability reduction recorded in 2014 and (c) to decrease unrestricted net position by $2,746,459. The effects of the restatement on the balance sheet and statements of revenues, expenses and changes in net position as of December 31, 2014 are as follows:

	December 31, 2014	
	As Previously Reported	Restated
Total Liabilities	$ 55,349,653	$ 58,096,112
Beginning Net Position	41,642,784	37,839,012
Ending Net Position	41,445,271	38,698,812
Total Operating Expenses	32,141,342	31,084,029
Change in Net Position	$ (197,513)	$ 859,800

Note 11: Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Benton Municipal Light And Water Works
City of Benton, State of Arkansas
Schedule of Operating, Board Designated
and Restricted Funds
December 31, 2015 and 2014

	2015	2014
Operating Funds		
Cash on Hand	$ 2,600	$ 2,600
Demand Deposits - General Operating Accounts		
Bank of the Ozarks	1,392,514	2,359,724
First Security Bank	1,630,999	514,105
Total Operating Funds	3,026,113	2,876,429
Board Designated		
Reservoir Contingent Fund - First Security Bank	91,407	90,860
Utility Emergency Fund - First Security Bank	2,172,269	2,159,277
Water System Capital Improvement Fund - First Security Bank	743,041	442,480
Electric Capital Improvement Fund - Bank of the Ozarks	305,794	499,001
Facilities Capital Improvement Fund - Bank of the Ozarks	138,844	138,706
Wastewater Capital Improvement Fund - Bank of the Ozarks	162,638	62,536
Alcoa Road Utilities Relocation Fund - Bank of the Ozarks	202,441	997,344
Construction Fund - Bank of the Ozarks	175,161	175,061
Economic Development Fund - Bank of the Ozarks	555,548	
Total Board Designated	4,547,143	4,565,265
Restricted Funds		
Bond Funds		
12/01/06 Issue - U S Bank Goldman Sachs Treasury Instruments		471,206
03/06/09 Issue - Regions Corporate Trust Department	1,347	1,347
04/01/12 Issue - US Bank First American Government Obligation	826,158	823,602
07/01/15 Issue - Simmons Trust	502,412	
Total Bond Funds	1,329,917	1,296,155
Depreciation Fund		
Public Utilities - First Security Bank	718,478	826,715
Debt Service Escrow Fund		
10/01/06 Issue - Goldman Sachs Treasury Instruments		133,938
10/01/06 Issue - Stephens Insured CD's		1,385,000
04/01/12 01/01/15 Issue - US Bank First American Bank	1,133,701	282,953
Total Debt Service Escrow Fund	1,133,701	1,801,891
Total Restricted Funds	3,182,096	3,924,761
Total Operating, Designated and Restricted Funds	$ 10,755,352	$ 11,366,455

Benton Municipal Light and Water Works
City of Benton, State of Arkansas
Departmental Statements of Revenues and Expenses
For the Years Ended December 31, 2015 and 2014

	2015 Light Dept.	(Restated) 2014 Light Dept.	2015 Water Dept.	(Restated) 2014 Water Dept.	2015 Waste Water Dept.	(Restated) 2014 Waste Water Dept.	Eliminations 2015	Eliminations 2014	2015 Combined Total	(Restated) 2014 Combined Total
Revenue - Operations										
Fees	$ 23,307,073	$ 23,120,066	$ 5,329,258	$ 5,015,166	$ 4,880,002	$ 4,836,515	$ (1,032,373)	$ (1,071,037)	$ 32,483,960	$ 31,900,710
Service Charges and Connection Fees	248,977	274,904	156,758	119,899	298,028	244,547			703,763	639,350
Penalties	152,598	156,142	34,186	33,015	47,640	47,993			234,424	237,150
Other Income	131,603	182,278	28,187	32,918	61,737	30,184			221,527	245,380
Total Revenue - Operations	23,840,251	23,733,390	5,548,389	5,200,998	5,287,407	5,159,239	(1,032,373)	(1,071,037)	33,643,674	33,022,590
Expenses - Operations										
Power Costs	15,218,778	15,876,653							15,218,778	15,876,653
Plant Production			1,578,716	1,330,518	1,619,016	1,526,153	(891,577)	(921,603)	2,306,155	1,935,068
General and Distribution	2,732,972	2,446,937	1,274,477	1,033,137	1,346,509	1,165,137	(126,906)	(135,270)	5,227,052	4,509,941
Administrative	786,906	684,916	751,609	625,855	752,184	625,222	(13,890)	(14,164)	2,276,809	1,921,829
Depreciation	1,059,460	942,048	1,551,953	1,542,255	2,621,226	2,594,219			5,232,639	5,078,522
Franchise Fees	1,257,800	1,220,683	292,263	265,991	288,310	275,342			1,838,373	1,762,016
Total Expenses - Operations	21,055,916	21,171,237	5,449,018	4,797,756	6,627,245	6,186,073	(1,032,373)	(1,071,037)	32,099,806	31,084,029
Operating Income (Loss)	2,784,335	2,562,153	99,371	403,242	(1,339,838)	(1,026,834)			1,543,868	1,938,561
Non-Operating Revenues (Expenses)										
Interest Income	24,375	16,806	1,436	2,116	999	1,007			26,810	19,929
Interest Expense	(88,264)	(89,600)	(482,639)	(485,688)	(1,309,873)	(1,461,808)			(1,880,776)	(2,037,096)
Total Non-Operating Revenues (Expenses)	(63,889)	(72,794)	(481,203)	(483,572)	(1,308,874)	(1,460,801)			(1,853,966)	(2,017,167)
Net Income (Loss) Before Contributions and Transfers	$ 2,720,446	$ 2,489,359	$ (381,832)	$ (80,330)	$ (2,648,712)	$ (2,487,635)			(310,098)	(78,606)
Capital Contributions									2,094,588	606,941
Bond Issuance Costs									(437,975)	
Transfers In:										
Appropriations									263,975	331,465
Change in Net Position									$ 1,610,490	$ 859,800

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, 2015

	Water Dept.	Waste Water Dept.	Combined Total
Salaries	$ 431,347	$ 395,646	$ 826,993
Fringe Benefits	189,290	178,124	367,414
Vehicle Operations	11,546	12,226	23,772
Building Maintenance	66,230	62,774	129,004
Equipment Repairs	210,432	153,022	363,454
Office Supplies	537	868	1,405
Janitorial Supplies and Services	5,056	3,479	8,535
Computer Supplies	720	2,255	2,975
Chemicals	231,206	72,128	303,334
Laboratory	1,773	28,654	30,427
Electric, Water and Waste Water	348,481	543,865	892,346
Miscellaneous	26,124	40,034	66,158
Heat - Natural Gas	3,793	68,518	72,311
Telephone	3,347	4,269	7,616
Equipment Rental	537		537
Small Tool Expense	5,444	2,236	7,680
Professional and Consulting	6,590	6,387	12,977
Insurance	33,700	40,607	74,307
Small Equipment Expense	2,563	3,924	6,487
Total	$ 1,578,716	$ 1,619,016	$ 3,197,732

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, 2015

	Light Dept.	Water Dept.	Waste Water Dept.	Combined Total
Salaries	$ 1,272,808	$ 531,376	$ 397,819	$ 2,202,003
Fringe Benefits	593,855	257,967	226,622	1,078,444
Vehicle Operations	129,871	64,164	59,326	253,361
Building Maintenance	55,089	4,955	18,298	78,342
Line Maintenance	97,506	241,016	267,489	606,011
Equipment Repairs	6,451	892	17,533	24,876
Street light Repairs	57,971			57,971
Lift Station Maintenance			134,920	134,920
Office Supplies	2,736	339	1,964	5,039
Janitorial Supplies and Services	8,622	3,715	2,948	15,285
Computer Supplies	3,060	1,773	2,207	7,040
Computer Services	36,106		1,525	37,631
Natural Gas	3,809	3,793	461	8,063
Electric, Water and Waste Water	10,474	9,577	145,410	165,461
Miscellaneous	47,659	15,189	11,568	74,416
Telephone	18,469	7,643	4,141	30,253
Equipment Rental	1,249	4,142	1,785	7,176
Small Tool Expense	18,097	5,050	6,024	29,171
Professional and Consulting	307,868	113,335	31,100	452,303
Insurance	26,805	4,545	10,901	42,251
Small Equipment Expense	34,467	5,006	4,468	43,941
Total	$ 2,732,972	$ 1,274,477	$ 1,346,509	$ 5,353,958

Benton Municipal Light and Water Works
City of Benton, State of Arkansas
Schedule of Administrative Expenses
For the Year Ended December 31, 2015

	Light Dept.	Water Dept.	Waste Water Dept.	Combined Total
Salaries	$ 334,298	$ 334,298	$ 334,297	$ 1,002,893
Fringe Benefits	155,129	155,129	155,129	465,387
Vehicle Operations	3,834	3,834	3,834	11,502
Building Maintenance	4,743	4,743	4,743	14,229
Equipment Repairs	7,902	7,902	7,903	23,707
Office Supplies	13,334	13,334	13,333	40,001
Postage	31,455	31,455	31,455	94,365
Janitorial Supplies and Services	4,763	4,763	4,763	14,289
Computer Supplies	2,244	2,244	2,244	6,732
Computer and Billing Services	43,154	43,154	43,155	129,463
Electricity, Water and Waste Water	4,630	4,630	4,630	13,890
Miscellaneous	16,361	30,071	16,354	62,786
Heat - Natural Gas	809	809	810	2,428
Telephone	4,570	4,570	4,570	13,710
Professional and Consulting	78,798	78,798	78,798	236,394
Customer Collection Expense	12,444	12,444	12,443	37,331
Insurance	328	328	329	985
Small Equipment Expense	8,163	8,163	8,162	24,488
Bad Debt Expense	59,947	10,940	25,232	96,119
Total	$ 786,906	$ 751,609	$ 752,184	$ 2,290,699

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, 2015:

Sewer Monthly Rates

(a) 0-2 mg minimum average water usage - $13.10

(b) All over 2 mg minimum average water usage - $13.10 minimum, plus $4.80 per mg for all over 2 mg, out of city limits $22.93 minimum and $8.40 mg for all over 2 mg.

(c) New residential customers charged $30.00 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 levelized 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

	2015
Residential	12,738
Commercial	1,220
Industrial	17
	13,975

Annual Billable Water	2015 Gallons (000s)
Total annual billable water	1,035,681
Less water billable to non-sewer customers	(24,940)
Net billable to sewer customers	1,010,741
Residential	779,588
Commercial	167,653
Industrial	63,500
Total water billable to sewer customers	1,010,741

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

December 31, 2015

Maturity Date	Principal	Interest	Principal Outstanding
	$	$	$ 227,312
06/01/2016	2,681	5,399	224,631
12/01/2016	2,745	5,335	221,886
06/01/2017	2,810	5,270	219,076
12/01/2017	2,877	5,203	216,199
06/01/2018	2,945	5,135	213,254
12/01/2018	3,015	5,065	210,239
06/01/2019	3,087	4,993	207,152
12/01/2019	3,160	4,920	203,992
06/01/2020	3,235	4,845	200,757
12/01/2020	3,312	4,768	197,445
06/01/2021	3,391	4,689	194,054
12/01/2021	3,471	4,609	190,583
06/01/2022	3,554	4,526	187,029
12/01/2022	3,638	4,442	183,391
06/01/2023	3,724	4,356	179,667
12/01/2023	3,813	4,267	175,854
06/01/2024	3,903	4,177	171,951
12/01/2024	3,996	4,084	167,955
06/01/2025	4,091	3,989	163,864
12/01/2025	4,188	3,892	159,676
06/01/2026	4,288	3,792	155,388
12/01/2026	4,390	3,690	150,998
06/01/2027	4,494	3,586	146,504
12/01/2027	4,601	3,479	141,903
06/01/2028	4,710	3,370	137,193
12/01/2028	4,822	3,258	132,371
06/01/2029	4,936	3,144	127,435
12/01/2029	5,053	3,027	122,382
06/01/2030	5,173	2,907	117,209
12/01/2030	5,296	2,784	111,913
06/01/2031	5,422	2,658	106,491
12/01/2031	5,551	2,529	100,940
06/01/2032	5,683	2,397	95,257
12/01/2032	5,818	2,262	89,439
06/01/2033	5,956	2,124	83,483
12/01/2033	6,097	1,983	77,386
06/01/2034	6,242	1,838	71,144
12/01/2034	6,390	1,690	64,754
06/01/2035	6,542	1,538	58,212

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

December 31, 2015

Maturity Date	Principal	Interest	Principal Outstanding
12/01/2035	6,697	1,383	51,515
03/01/2036	6,857	1,223	44,658
12/01/2036	7,019	1,061	37,639
06/01/2037	7,186	894	30,453
12/01/2037	7,357	723	23,096
06/24/2038	7,531	549	15,565
12/01/2038	7,710	370	7,855
06/01/2039	7,855	187	
	$ 227,312	$ 152,410	

Benton Municipal Light and Water Works
City of Benton, State of Arkansas
Revenue Bond Amortization Schedule
Issue Dated April 1, 2012

December 31, 2015

Maturity Date	Principal	Interest	Principal Outstanding
	$	$	$ 20,360,000
03/01/2016		423,675	20,360,000
09/01/2016	1,420,000	423,675	18,940,000
03/01/2017		398,825	18,940,000
09/01/2017	1,285,000	398,825	17,655,000
03/01/2018		379,550	17,655,000
09/01/2018	1,055,000	379,550	16,600,000
03/01/2019		363,725	16,600,000
09/01/2019	825,000	363,725	15,775,000
03/01/2020		351,350	15,775,000
09/01/2020	845,000	351,350	14,930,000
03/01/2021		338,675	14,930,000
09/01/2021	875,000	338,675	14,055,000
03/01/2022		321,175	14,055,000
09/01/2022	910,000	321,175	13,145,000
03/01/2023		302,975	13,145,000
09/01/2023	945,000	302,975	12,200,000
03/01/2024		284,075	12,200,000
09/01/2024	985,000	284,075	11,215,000
03/01/2025		259,450	11,215,000
09/01/2025	1,030,000	259,450	10,185,000
03/01/2026		233,700	10,185,000
09/01/2026	1,090,000	233,700	9,095,000
03/01/2027		206,450	9,095,000
09/01/2027	1,140,000	206,450	7,955,000
03/01/2028		177,950	7,955,000
09/01/2028	1,190,000	177,950	6,765,000
03/01/2029		154,894	6,765,000
09/01/2029	1,240,000	154,893	5,525,000
03/01/2030		130,869	5,525,000
09/01/2030	1,290,000	130,869	4,235,000
03/01/2031		105,875	4,235,000
09/01/2031	625,000	105,875	3,610,000
03/01/2032		90,250	3,610,000
09/01/2032	655,000	90,250	2,955,000
03/01/2033		73,875	2,955,000
09/01/2033	685,000	73,875	2,270,000
03/01/2034		56,750	2,270,000
09/01/2034	720,000	56,750	1,550,000
03/01/2035		38,750	1,550,000

Benton Municipal Light and Water Works
City of Benton, State of Arkansas
Revenue Bond Amortization Schedule
Issue Dated April 1, 2012

December 31, 2015

Maturity Date	Principal	Interest	Principal Outstanding
09/01/2035	755,000	38,750	795,000
03/01/2036		19,875	795,000
09/01/2036	795,000	19,875	
	$ 20,360,000	$ 9,425,425	

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

December 31, 2015

Maturity Date	Principal	Interest	Principal Outstanding
	$	$	$ 25,625,000
03/01/2016		582,900	25,625,000
09/01/2016	30,000	582,900	25,595,000
03/01/2017		582,600	25,595,000
09/01/2017	215,000	582,600	25,380,000
03/01/2018		580,450	25,380,000
09/01/2018	485,000	580,450	24,895,000
03/01/2019		575,600	24,895,000
09/01/2019	760,000	575,600	24,135,000
03/01/2020		564,200	24,135,000
09/01/2020	785,000	564,200	23,350,000
03/01/2021		552,425	23,350,000
09/01/2021	805,000	552,425	22,545,000
03/01/2022		536,325	22,545,000
09/01/2022	840,000	536,325	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

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

December 31, 2015

Maturity Date	Principal	Interest	Principal Outstanding
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	
	$ 25,625,000	$ 17,283,500	

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

December 31, 2015

Year Ending 12/31	03/06/2009 Bonds	4/1/2012 Bonds	7/1/2015 Bonds	Total Bonds
2016	$ 16,160	$ 2,267,350	$ 1,195,800	$ 3,479,310
2017	16,160	2,082,650	1,380,200	3,479,010
2018	16,160	1,814,100	1,645,900	3,476,160
2019	16,160	1,552,450	1,911,200	3,479,810
2020	16,160	1,547,700	1,913,400	3,477,260
2021	16,160	1,552,350	1,909,850	3,478,360
2022	16,160	1,552,350	1,912,650	3,481,160
2023	16,160	1,550,950	1,910,650	3,477,760
2024	16,160	1,553,150	1,906,650	3,475,960
2025	16,160	1,548,900	1,910,650	3,475,710
2026	16,160	1,557,400	1,906,550	3,480,110
2027	16,160	1,552,900	1,906,750	3,475,810
2028	16,160	1,545,900	1,915,000	3,477,060
2029	16,160	1,549,787	1,910,250	3,476,197
2030	16,160	1,551,738	1,908,000	3,475,898
2031	16,160	836,750	2,628,000	3,480,910
2032	16,160	835,500	2,629,000	3,480,660
2033	16,160	832,750	2,630,000	3,478,910
2034	16,160	833,500	2,625,750	3,475,410
2035	16,160	832,500	2,626,250	3,474,910
2036	16,160	834,750	2,626,000	3,476,910
2037	16,160			16,160
2038	16,160			16,160
2039	8,042			8,042
Totals	$ 379,722	$ 29,785,425	$ 42,908,500	$ 73,073,647

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

	12/31/14	12/31/13	12/31/12
Total Pension Liability			
Service Cost	$ 335,144	$ 337,147	$ 307,809
Interest	1,074,426	1,038,990	959,291
Difference Between Actual and Expected Experience	116,426	(164,843)	498,699
Benefit Payments	(742,510)	(665,637)	(618,165)
Net Change in Total Pension Liability	$ 783,486	$ 545,657	$ 1,147,634
Total Pension Liability - Beginning	$ 15,552,621	$ 15,006,964	$ 13,859,330
Total Pension Liability - Ending	$ 16,336,107	$ 15,552,621	$ 15,006,964
Plan Fiduciary Net Position			
Contributions - Employee Mandatory	$ 29,480	$ 14,000	$ 2,263
Contributions - Employer	750,000	700,000	725,000
Net Investment Income	620,952	1,554,607	918,794
Benefits Payments	(742,510)	(665,637)	(618,165)
Net Change in Plan Net Position	$ 657,922	$ 1,602,970	$ 1,027,892
Plan Fiduciary Net Position - Beginning	$ 12,806,162	$ 11,203,192	$ 10,175,300
Plan Fiduciary Net Position - Ending	$ 13,464,084	$ 12,806,162	$ 11,203,192
Net Pension Liability - Ending	$ 2,872,023	$ 2,746,459	$ 3,803,772
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.42%	82.34%	74.65%
Covered Payroll	$ 3,223,284	$ 3,236,306	$ 3,263,281
Net Pension Liability as a Percentage of Payroll	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 Valuation Date	Actuarially Determined Contribution (a)	Actual Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contribution as a % of Payroll (b/c)
12/31/14	$ 697,224	$ 750,000	$ (52,776)	$ 3,236,306	23.17%