

**Washington State Auditor's Office**  
**Financial Statements Audit Report**

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**City of Benton City**  
**Benton County**

Audit Period  
**January 1, 2008 through December 31, 2008**

**Report No. 1003202**

Issue Date  
**March 22, 2010**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

March 22, 2010

Mayor and City Council  
City of Benton City  
Benton City, Washington

***Report on Financial Statements***

Please find attached our report on the City of Benton City's financial statements.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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Benton County  
January 1, 2008 through December 31, 2008**

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# **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards***

City of Benton City  
Benton County  
January 1, 2008 through December 31, 2008

Mayor and City Council  
City of Benton City  
Benton City, Washington

We have audited the financial statements of the City of Benton City, Benton County, Washington, as of and for the year ended December 31, 2008, and have issued our report thereon dated March 3, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## ***INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

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

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management and the Mayor and City Council. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag", written in a cursive style.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

March 3, 2010

# **Independent Auditor's Report on Financial Statements**

**City of Benton City  
Benton County  
January 1, 2008 through December 31, 2008**

Mayor and City Council  
City of Benton City  
Benton City, Washington

We have audited the accompanying financial statements of the City of Benton City, Benton County, Washington, for the year ended December 31, 2008. These financial statements are the responsibility of the City's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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.

As described in Note 1 to the financial statements, the City prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of Benton City, for the year ended December 31, 2008, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Long-Term Debt is presented for purposes of

additional analysis as required by the prescribed BARS manual. This schedule is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Brian Sonntag", with a stylized, cursive script.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

March 3, 2010

# **Financial Section**

**City of Benton City  
Benton County  
January 1, 2008 through December 31, 2008**

## ***FINANCIAL STATEMENTS***

Fund Resources and Uses Arising from Cash Transactions – 2008  
Notes to Financial Statements – 2008

## ***SUPPLEMENTAL INFORMATION***

Schedule of Long-Term Debt – 2008



**CITY OF BENTON CITY**  
**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2008

BARS CODE		Fund Number and Name 001-CURRENT EXPENSE		Fund Number and Name 101-CITY STREETS	
		Budget	Actual	Budget	Actual
Beginning Net Cash and Investments		\$357,055	\$166,496	\$450,814	\$251,869
Revenues and Other Sources					
310	Taxes	602,950	748,271	62,100	7,916
320	Licenses and Permits	45,980	29,249	25	300
330	Intergovernmental	97,800	132,372	552,133	451,082
340	Charges for Goods and Services	8,270	9,997	0	0
350	Fines and Penalties	500	1,138	0	0
360	Miscellaneous	50,175	69,776	25,000	13,003
370	Capital Contributions	0	0	0	0
390	Other Financing Sources	0	0	0	0
Total Revenues and Other Sources		805,675	990,803	639,258	472,301
Total Resources		1,162,730	1,157,299	1,090,072	724,169
Operating Expenditures:					
510	General Government	239,012	378,433	0	0
520	Public Safety	347,584	351,741	0	0
530	Physical Environment	7,627	5,353	0	0
540	Transportation	0	0	134,486	119,810
550	Economic Environment	55,000	155,419	0	0
560	Mental and Physical Health	300	965	0	0
570	Culture and Recreational	48,657	62,171	0	0
Total Operating Expenditures		698,180	954,082	134,486	119,810
591-593	Debt Service	0	0	0	0
594-595	Capital Outlay	56,400	49,558	551,000	293,026
Total Expenditures		754,580	1,003,641	685,486	412,836
597-599	Other Financing Uses	350,000	125,000	0	0
Total Expenditures and Other Uses		1,104,580	1,128,641	685,486	412,836
Excess (Deficit) of Resources Over Uses		58,150	28,658	404,586	311,333
380	Nonrevenues (Except 384 and 388.80)	150	135		
580	Nonexpenditures (Except 584 and 588.80)	200	0		
Ending Net Cash and Investments		\$58,100	\$28,793	\$404,586	\$311,333

The Accompanying Notes Are An Integral Part Of This Statement.

**CITY OF BENTON CITY**  
**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2008

BARS CODE		Fund Number and Name 350-BUSINESS PARK		Fund Number and Name 401-WATER/SEWER	
		Budget	Actual	Budget	Actual
Beginning Net Cash and Investments		\$63,474	\$41,037	\$986,176	\$1,286,815
Revenues and Other Sources					
310	Taxes			0	0
320	Licenses and Permits			0	0
330	Intergovernmental		10,000	0	0
340	Charges for Goods and Services			788,800	816,026
350	Fines and Forfeits			0	
360	Miscellaneous	5,000	4,334	18,500	25,144
370	Capital Contributions				0
390	Other Financing Sources	50,000	50,000	53,391	53,391
Total Revenues and Other Sources		55,000	64,334	860,691	894,562
Total Resources		118,474	105,371	1,846,867	2,181,376
Operating Expenditures:					
510	General Government	0		0	0
520	Public Safety	0		0	0
530	Physical Environment	0		447,432	672,047
540	Transportation	0		0	
550	Economic Environment	0		0	
560	Mental and Physical Health	0		0	
570	Culture and Recreation	0		0	
Total Operating Expenditures		0	0	447,432	672,047
591-593	Debt Service	116,500	118,870	7,048	6,130
594-595	Capital Outlay		77,962	817,330	648,853
Total Expenditures		116,500	196,832	1,271,810	1,327,029
597-599	Other Financing Uses			72,586	61,620
Total Expenditures and Other Uses		116,500	196,832	1,344,396	1,388,649
Excess (Deficit) of Resources Over Uses		1,974	(91,460)	502,470	792,727
380	Nonrevenues (Except 384 and 388.80)	100,000	100,000		
580	Nonexpenditures (Except 584 and 588.80)			177,030	236,315
Ending Net Cash and Investments		\$101,974	\$8,540	\$325,440	\$556,412

*The Accompanying Notes Are An Integral Part Of This Statement.*

**CITY OF BENTON CITY**  
**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2008

BARS CODE		Fund Number and Name 106-SKATEBOARD PARK		Fund Number and Name 302- PARKS	
		Budget	Actual	Budget	Actual
Beginning Net Cash and Investments		\$93,735	\$66,599	\$74,489	\$69,917
Revenues and Other Sources					
310	Taxes	0	0	13,000	9,783
320	Licenses and Permits	0	0		0
330	Intergovernmental	0	6,624	140,000	297,014
340	Charges for Goods and Services	0	0		0
350	Fines and Forfeits	0	0		0
360	Miscellaneous	0	0	11,400	4,471
370	Capital Contributions	0	0	500	0
390	Other Financing Sources	0	0	2,300,000	75,000
Total Revenues and Other Sources		0	6,624	2,464,900	386,268
Total Resources		93,735	73,223	2,539,389	456,185
Operating Expenditures:					
510	General Government	0	0	0	1,130
520	Public Safety	0	0	0	
530	Physical Environment	0	0	0	
540	Transportation	0	0	0	
550	Economic Environment	0	0	0	
560	Mental and Physical Health	0	0	0	
570	Culture and Recreation	0	783	5,000	29,201
Total Operating Expenditures		0	783	5,000	30,331
591-593	Debt Service				0
594-595	Capital Outlay			2,401,260	424,174
Total Expenditures		0	783	2,406,260	454,505
597-599	Other Financing Uses				
Total Expenditures and Other Uses		0	783	2,406,260	454,505
Excess (Deficit) of Resources Over Uses		93,735	72,440	133,129	1,680
380	Nonrevenues (Except 384 and 388.80)				
580	Nonexpenditures (Except 584 and 588.80)				
Ending Net Cash and Investments		\$93,735	\$72,440	\$133,129	\$1,680

*The Accompanying Notes Are An Integral Part Of This Statement.*

**CITY OF BENTON CITY**  
**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2008

	Fund Number and Name 404-'72 BOND REDEMPTION		Fund Number and Name 405- '72 BOND RESERVE	
	Budget	Actual	Budget	Actual
<b>Fund Type: Proprietary Funds</b>				
<b>Beginning Net Cash and Investments</b>	\$39,398	\$39,398	\$13,993	\$13,993
Revenue and Other Financing Sources				
<b>Total Resources</b>	39,398	39,398	13,993	13,993
<b>Expenditures And Other Financing Uses</b>	39,398	39,398	13,993	13,993
<b>Excess (Deficit) of Resources Over Uses</b>	0	0	0	0
Nonrevenues (Except 384 and 388.80)				
Nonexpenditures (Except 584 and 588.80)				
<b>Ending Net Cash and Investments</b>	\$0	\$0	\$0	\$0

	Fund Number and Name 406-W/S CAPITAL IMPRR.		Fund Number and Name 407-CAPITAL MAINT.	
	Budget	Actual	Budget	Actual
<b>Fund Type: Proprietary Funds</b>				
<b>Beginning Net Cash and Investments</b>	\$80,815	\$80,476	\$5,142	(\$64,426)
Revenue and Other Financing Sources	4,691	4,042	0	96,155
<b>Total Resources</b>	85,506	84,517	5,142	31,729
<b>Expenditures And Other Financing Uses</b>	0	0	0	24,000
<b>Excess (Deficit) of Resources Over Uses</b>	85,506	84,517	5,142	7,729
Nonrevenues (Except 384 and 388.80)				
Nonexpenditures (Except 584 and 588.80)				
<b>Ending Net Cash and Investments</b>	\$85,506	\$84,517	\$5,142	\$7,729

	Fund Number and Name 409-1982 W/S BOND REDEMPT		Fund Number and Name 410 - 1982 BOND RESERVE	
	Budget	Actual	Budget	Actual
<b>Fund Type: Proprietary Funds</b>				
<b>Beginning Net Cash and Investments</b>	\$42,981	\$31,737	\$58,919	\$59,089
Revenue and Other Financing Sources	61,620	61,620	0	0
<b>Total Resources</b>	104,601	93,357	58,919	59,089
<b>Expenditures And Other Financing Uses</b>	61,620	55,460	0	0
<b>Excess (Deficit) of Resources Over Uses</b>	42,981	37,897	58,919	59,089
Nonrevenues (Except 384 and 388.80)				
Nonexpenditures (Except 584 and 588.80)				
<b>Ending Net Cash and Investments</b>	\$42,981	\$37,897	\$58,919	\$59,089

*The Accompanying Notes Are An Integral Part Of This Statement.*

**CITY OF BENTON CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JANUARY 1, 2008 THROUGH DECEMBER 31, 2008**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES**

The City of Benton City reports financial activity using the revenues and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The City of Benton City was incorporated on July 2, 1945 and operates under the laws of the State of Washington applicable to a code city with a Mayor-Council form of government. The City of Benton City is a general purpose government and provides (water/sewer utilities, street improvements, maintenance of parks and general administrative services. The City of Benton City uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. **Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are fund types used by the City.

**GOVERNMENTAL FUND TYPES**

**General (Current Expense) Fund (001)**

This fund is the primary operating fund of the City of Benton City. It accounts for financial resources except those required or elected to be accounted for in another fund.

**Special Revenue Funds (100-199)**

101-City Streets  
106 – Skate park

These funds account for revenues that are legally restricted or designated to finance particular activities of the City of Benton City.

**Capital Project Funds (300 – 399)**

302- Parks  
350- I-82 Business Park

These funds account for financial resources which are designated for the acquisition or construction of general government capital projects.

## PROPRIETARY FUND TYPES:

### Enterprise Funds (400-499)

401- Water/Sewer  
406- Water/Sewer Capital Improvement  
407- Water/Sewer Capital Maint.  
409- Water/Sewer 1982-1997 Bond Redemption  
410- Water/Sewer 1982-1997 Bond reserve

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

#### b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

In accordance with state law the City of Benton City also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

#### c. Budgets

Annual appropriated budgets are adopted for general, special revenue, capital project, and enterprises funds. The financial statements include budgetary comparisons for those funds.

Annual appropriated budgets are adopted at the fund level. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for all funds lapse at the fiscal period end.

The Clerk/Treasurer is authorized to transfer budgeted amounts between (departments within any/object classes within departments); however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City's legislative body.

#### d. Cash

It is the City's policy to invest all temporary cash surpluses. The amount is included in the net cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to the various funds.

e. Deposits

The City of Benton City deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation (FDIC), and/or the Washington Public Deposit Protection Commission (WPDPC).

f. Investments See Note 3

g. Capital Assets

Capital assets are long-lived assets of the City's and are recorded as expenditures when purchased.

h. Compensated Absences

Vacation leave may be accumulated up to 80 hours for employees working 1-5 years, 120 hours for employees working 5-10 years, 160 hours for employees working 10-15 years and 200 hours for employees working in excess of 15 years and is payable upon separation or retirement. Vacation in excess of 200 hours will be paid in a lump sum at the end of the year.

Sick leave may accumulate indefinitely. Upon separation or retirement employees do not) receive payment for unused sick leave

i. Long-Term Debt See Note 6

j. Other Financing Sources Or Uses

The City of Benton City's' "Other Financing Sources or Uses" consist of  
Transfers – In  
Transfers- Out

k. Risk Management

The City of Benton City is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 129 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$500,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the Interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments that comply with all State guidelines. These revenues directly offset portions of the membership's annual assessment.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations of WCIA.

#### NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

There were two expenditures exceeding legal appropriations in fund 350 and fund 407 of the city. In fund 350, the engineering costs exceeded expectations in the amount of \$41,857.62 and the budget amendment did not adjust the budget to account for this change. In fund 407, a lawsuit involving the capital improvement of the Wastewater Treatment Plant Auger was settled, creating a deficit of \$18,858.28. The expenditure was unexpected during the budgeting process. A budget amendment was not done.

#### NOTE 3 – INVESTMENTS

The City's investments are insured, registered or held by the City.

Investments by type at December 31, 2008 are as follows:

<u>Type of Investment</u>	<u>City's</u>	<u>Investments held by</u>	<u>Total</u>
L.G.I.P.	\$ 884,113.72	\$	\$ 884,113.72
Money Market - USBANK	\$ 10,706.98	\$	\$ 10,706.98
<b>TOTAL</b>	<b>\$ 894,820.70</b>	<b>\$</b>	<b>\$ 894,820.70</b>



#### NOTE 4 – PROPERTY TAX

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed intermittently during the month whenever the amount collected exceeds the sum of \$1,000.00 and the balance is distributed at the end of the month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The City's regular levy for the year 2008 was 1.2937 per \$1,000 on an assessed valuation of \$98,896,657 for a total regular levy of \$ 127,945.00.

#### NOTE 5 – INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2008:

<u>Borrowing</u> <u>Fund</u>	<u>Lending</u> <u>Fund</u>	<u>Balance</u> <u>1/1/2008</u>	<u>New Loans</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2008</u>
350	401	0	100,000	0	100,000
TOTALS		\$0	\$100,000	\$ 00	\$100,000

#### NOTE 6 – LONG TERM DEBT

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the City of Benton City and summarizes the City's debt transactions for the year 2008. The debt service requirements, including interest, are as follows:

<b>Year</b>	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Other Debt</b>	<b>Total Debt</b>
2008		197,905.00		197,905.00
2009		198,411.00		198,411.00
2010		201,295.00		201,295.00
2011		198,281.00		198,281.00
2012		195,814.00		195,814.00
2013-2017		944,433.00		944,433.00
2018-2022		739,351.00		739,351.00
2023-2027		239,381.00		239,381.00
<b>TOTALS</b>		<b>2,914,871.00</b>		<b>2,914,871.00</b>

#### NOTE 7 – PENSION PLANS

Substantially all City of Benton City full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS) administered by the Washington State Department of Retirement Systems; under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the City's financial statements. Contributions to the system by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98504-8380

#### NOTE 8 – OTHER DISCLOSURES

The City of Benton City's City Council approved a contract with Local Union #839 for the years 2008 through 2011 limiting pay increases and conditions of employment and changing vacation pay schedules for all union employees.

The City had several public works projects that occurred in 2008. An expansion of the water/sewer system concluded in early spring, costing the City approximately \$800,000. The City also made improvements to Ki-Be Road, with funding from TIB and a contract price of about \$400,000. Also, the City constructed a Bike/Walking Trail through town with STP money and local match, with a contract price of about \$230,000.

**CITY OF BENTON CITY**  
**SCHEDULE OF LONG TERM DEBT**  
**For the Year Ended December 31, 2008**

G.O. Debt  
x Revenue Debt  
\_\_\_\_\_ Assessment Debt

ID No.	Date of Original Issuance	Date of Maturity	Beginning Outstanding Debt 01/01/08	Amount Issued in Current Year	BARS Code for Receipt	Receiving Fund Number	Amount Redeemed in Current Year	BARS Code for Redemption	Redeeming Fund Number	Ending Outstanding Debt 12/31/08
252.11	1/19/1983	2/1/2022	\$ 147,985.22	\$ -			\$ 6,000.00	582.38.71.00	409	\$ 141,985.22
252.11	2/1/1997	2/1/2019	\$ 285,000.00	\$ -			\$ 25,000.00	585.38.71.01	409	\$ 260,000.00
263.92	3/8/2000	10/1/2019	\$ 112,554.22	\$ -			\$ 9,379.52	582.34.78.02	401	\$ 103,174.70
263.92	4/11/2000	7/1/2020	\$ 235,946.03	\$ -			\$ 18,149.60	582.34.78.01	401	\$ 217,796.43
252.11	* 9/30/2004	9/30/2024	\$ 1,749,986.41	\$ -			\$ 106,059.78	582.35.78.01	401	\$ 1,643,926.63
252.11	9/20/2008	9/20/2027		\$ 106,318.91			\$ 2,726.13	582.35.78.03	401	\$ 103,592.78
Total			\$ 2,531,471.88	\$ 106,318.91			\$ 167,315.03			\$ 2,470,475.76

The Accompanying Notes Are An Integral Part Of This Schedule.



## **ABOUT THE STATE AUDITOR'S OFFICE**

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The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver our services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

**State Auditor**  
**Chief of Staff**  
**Deputy Chief of Staff**  
**Chief Policy Advisor**  
**Director of Audit**  
**Director of Special Investigations**  
**Director for Legal Affairs**  
**Director of Quality Assurance**  
**Local Government Liaison**  
**Communications Director**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Brian Sonntag, CGFM**  
**Ted Rutt**  
**Doug Cochran**  
**Jerry Pugnetti**  
**Chuck Pfeil, CPA**  
**Jim Brittain, CPA**  
**Jan Jutte, CPA, CGFM**  
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