



Washington State Auditor's Office

Government that works for citizens

Financial Statements Audit Report

City of Centralia

Lewis County

For the period January 1, 2015 through December 31, 2015

Published December 1, 2016

Report No. 1017953





Washington State Auditor's Office

December 1, 2016

Mayor and City Council
City of Centralia
Centralia, Washington

Report on Financial Statements

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

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

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**City of Centralia
Lewis County
January 1, 2015 through December 31, 2015**

Mayor and City Council
City of Centralia
Centralia, Washington

We have audited, 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, the financial statements of the City of Centralia, Lewis County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated November 8, 2016.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

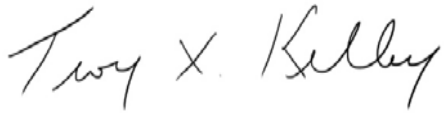
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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 that reads "Troy X. Kelley". The signature is written in a cursive, flowing style.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

November 8, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Centralia Lewis County January 1, 2015 through December 31, 2015

Mayor and City Council
City of Centralia
Centralia, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Centralia, Lewis County, Washington, for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 10.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 from 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 City'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 City'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 opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Centralia has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

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 Centralia, for the year ended December 31, 2015, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Centralia, as of December 31, 2015, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

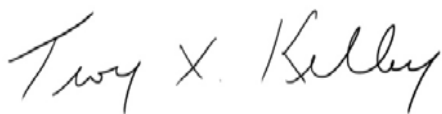
Other Matters

Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Liabilities 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

November 8, 2016

FINANCIAL SECTION

**City of Centralia
Lewis County
January 1, 2015 through December 31, 2015**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2015
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2015
Notes to Financial Statements – 2015

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2015

City of Centralia
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		Total for All Funds (Memo Only)	001 General	101 Streets
Beginning Cash and Investments				
30810	Reserved	8,739,134	669,939	138,959
30880	Unreserved	22,551,905	2,943,891	-
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	7,908,181	7,189,637	284,726
320	Licenses and Permits	731,625	533,969	189,122
330	Intergovernmental Revenues	2,079,122	497,133	848,146
340	Charges for Goods and Services	36,927,954	1,143,397	10,033
350	Fines and Penalties	572,879	244,285	-
360	Miscellaneous Revenues	1,676,314	276,690	455,734
Total Operating Revenues:		49,896,076	9,885,111	1,787,761
Operating Expenditures				
510	General Government	1,951,497	1,950,880	-
520	Public Safety	5,886,602	5,760,373	-
530	Utilities	25,234,648	8,272	-
540	Transportation	1,540,439	8,294	1,011,007
550	Natural and Economic Environment	247,957	212,550	-
560	Social Services	3,841	3,841	-
570	Culture and Recreation	1,127,506	1,127,506	-
598	Miscellaneous Expenses	-	-	-
Total Operating Expenditures:		35,992,490	9,071,717	1,011,007
Net Operating Increase (Decrease):		13,903,586	813,395	776,754
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	1,168,667	250,611	52
391-393	Debt Proceeds	9,684,433	-	-
397	Transfers-In	127,763	-	-
Total Nonoperating Revenues:		10,980,863	250,611	52
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	10,399,017	333,764	52
591-593	Debt Service	6,195,484	18,180	-
594-595	Capital Expenditures	8,711,480	150,326	671,148
597	Transfers-Out	127,763	34,253	93,510
Total Nonoperating Expenditures:		25,433,743	536,522	764,711
Net Increase (Decrease) in Cash and Investments:		(549,295)	527,483	12,096
Ending Cash and Investments				
5081000	Reserved	8,428,688	727,587	151,054
5088000	Unreserved	22,313,057	3,413,726	-
Total Ending Cash and Investments		30,741,745	4,141,313	151,054

The accompanying notes are an integral part of this statement.

109 Stadium	111 Confiscations/Seizures	131 Landfill Closure	201 Debt Service	302 Capital Projects	303 Energy Efficiency Capital Projects
296,399	103,005	223,476	163	525,332	412,026
-	-	-	-	-	-
-	-	-	-	-	-
189,383	-	-	-	244,435	-
-	-	-	-	-	-
-	-	145,000	32,956	-	-
-	-	-	-	-	-
-	-	-	-	-	-
534	204,372	444	19	917	486
189,917	204,372	145,444	32,975	245,352	486
-	-	-	-	-	617
-	126,229	-	-	-	-
-	-	82,706	-	-	-
-	-	-	-	-	-
35,407	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35,407	126,229	82,706	-	-	617
154,510	78,143	62,738	32,975	245,352	(131)
-	87,492	-	-	39,485	-
-	-	-	-	-	-
-	-	-	115,263	-	-
-	87,492	-	115,263	39,485	-
-	87,492	-	-	-	-
91,133	-	-	148,214	149,320	-
-	52,289	31,303	-	-	217,255
-	-	-	-	-	-
91,133	139,781	31,303	148,214	149,320	217,255
63,378	25,854	31,435	24	135,517	(217,386)
359,777	128,859	254,911	187	660,848	194,640
-	-	-	-	-	-
359,777	128,859	254,911	187	660,848	194,640

The accompanying notes are an integral part of this statement.

304 Flood Capital Projects	401 Electric	402 Water	403 Wastewater	405 Storm & Surface Water	501 Equipment Rental & Revolving
-	3,487,299	244,162	1,851,188	905	786,282
-	7,097,339	6,397,670	5,868,873	244,132	-
-	-	-	-	-	-
-	-	-	-	-	-
4,900	1,160	-	2,275	200	-
-	181,802	5,947	12,464	355,675	-
111,363	21,548,469	5,024,716	7,920,948	621,490	547,537
-	185,849	56,426	78,894	7,424	-
19	650,995	36,286	43,342	460	6,016
116,282	22,568,274	5,123,375	8,057,923	985,249	553,554
-	-	-	-	-	-
-	-	-	-	-	-
-	16,728,353	3,369,797	4,598,793	446,727	-
-	-	-	-	-	521,138
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	16,728,353	3,369,797	4,598,793	446,727	521,138
116,282	5,839,921	1,753,578	3,459,130	538,522	32,416
127,214	101,471	198,913	143,192	202,926	17,311
-	9,684,433	-	-	-	-
-	12,500	-	-	-	-
127,214	9,798,404	198,913	143,192	202,926	17,311
75,120	9,601,669	300,339	481	-	99
-	3,192,546	480,995	2,110,572	4,523	-
168,371	2,460,492	1,370,662	2,225,909	1,167,044	196,680
-	-	-	-	-	-
243,491	15,254,707	2,151,996	4,336,963	1,171,568	196,779
5	383,618	(199,505)	(734,640)	(430,119)	(147,052)
5	3,184,279	235,541	1,889,960	1,809	639,230
-	7,783,977	6,206,786	5,095,460	(186,892)	-
5	10,968,256	6,442,327	6,985,419	(185,083)	639,230

The accompanying notes are an integral part of this statement.

City of Centralia
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		Total for All Funds (Memo Only)	611 Firemens Pension
308	Beginning Cash and Investments	933,282	933,282
388 & 588	Prior Period Adjustments, Net	-	-
310-360	Revenues	22,645	22,645
380-390	Other Increases and Financing Sources	-	-
510-570	Expenditures	18,743	18,743
580-590	Other Decreases and Financing Uses	-	-
	Net Increase (Decrease) in Cash and Investments:	3,902	3,902
508	Ending Cash and Investments	937,184	937,184

The accompanying notes are an integral part of this statement.

CITY OF CENTRALIA
NOTES TO CASH FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Centralia was incorporated January 27, 1886, and operated under the laws of the State of Washington applicable to a third class city operating under second class laws as a commission form of government through March 31, 1986. Effective April 1, 1986, the form of government was changed and the City began operating under the laws of a non-charter code city, council-manager plan. The City Council is composed of seven members elected to four-year terms.

The City of Centralia is a general-purpose local government and provides public safety, street improvement and maintenance, parks and recreation, planning and zoning, judicial administration, and general administration services. In addition, the City also owns and operates four utilities - electric, water, wastewater and storm & surface water.

The City of Centralia reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The Schedule of Liabilities is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash, investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Debt Service Fund

This fund accounts for the financial resources that are restricted, committed or assigned to expenditures for principal, interest and related costs on general long term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Fund

This fund accounts for operations that provide goods or services to other department or funds of the government on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account of assets held by the government in a trustee capacity or as an agent on behalf of others.

Pension Trust Fund

This fund accounts for activities of the Firemen's Pension Fund, which accumulates resources for pension benefit payments to qualified retired firefighters and qualified widows.

Agency Funds

These funds are used to account for assets that the City holds for others in a custodial capacity. The City has two Agency Funds- Payroll Clearing Fund and Claims Clearing Fund.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

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

C. Budgets

The City adopts annual appropriated budgets at the fund level for the general, debt, special revenue, capital projects, enterprise, internal service and pension trust funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end. Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets by fund were as follows:

Fund	Fund Name	2015 Adopted Budget	2015 Final Appropriation	2015 Actual Expenditures	2015 Variance
001	General Fund	9,346,608	9,913,764	9,608,239	305,525
101	Street	2,108,458	2,194,049	1,775,718	418,331
109	Stadium	127,700	127,700	126,539	1,161
111	Confiscations/Seizures	146,090	226,090	266,010	(39,920)
131	Landfill Closure	388,170	408,700	114,009	294,691
201	Debt Service	152,580	155,780	148,214	7,566
302	Capital Projects	190,500	190,500	149,320	41,180
303	Cap Proj-Energy Efficiency	416,000	416,000	217,872	198,128
304	Flood Capital Projects	288,000	288,000	243,491	44,509
401	Light	24,072,015	24,250,303	31,983,061	(7,732,758)
402	Water	5,320,177	5,727,485	5,521,793	205,692
403	Wastewater	9,461,378	9,645,772	8,935,756	710,016
405	Storm & Surface Water	1,356,100	1,721,635	1,618,295	103,340
501	Equipment Rental	663,820	673,940	717,917	(43,977)
611	Firemen's Pension	37,000	37,000	18,743	18,257
	Totals	54,074,596	55,976,718	61,444,977	(5,468,259)

Budgeted amounts are authorized to be transferred between departments within any fund and 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 Council. The City Council approved budget amendments to add over \$1.9 million to the adopted budget.

D. Cash and Investments

See Note 2 - Deposits & Investments

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 5 years. The capital assets of the City of Centralia are recorded as expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to 30 days (240 hours) and is payable upon separation, retirement or death (subject to union or employment agreements that may allow for more liberal accumulation and payment).

Sick leave may be accumulated up to 960 hours. Upon separation, retirement or death, employees receive payment for unused sick leave to a maximum of 360 hours (subject to union or employment agreements that may allow for more liberal accumulation and payment). Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 5 - Debt Service Requirements

H. Other Financing Sources or Uses

The City's *Other Financing Sources or Uses* consist of proceeds from long-term debt, disposition of capital assets, and transfers-in from other funds.

I. Risk Management

The City of Centralia 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 179 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 sub-limits 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 \$750,000, 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 which comply with all State guidelines.

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.

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established (assigned) by the City Council. When expenditures that meet restrictions are incurred, the City intends to use reserved resources first

before using unreserved amounts. In relation to the internal commitments, the City Council by ordinance or resolution may establish, modify or rescind such commitment.

Reservations of Ending Cash and Investments consist of:

General Fund (001) Restricted:

Distressed counties reinvestment	\$ 112,020
HUD reinvestment	34,800
Municipal court	10,925
HUB City sign maintenance	5,174
Mural maintenance	4,473
Total Restricted Fund Balance	<u>\$ 167,392</u>

General Fund (001) Assigned:

Vacation, sick, excess compensation	\$ 173,779
LEOFF I	181,618
Depot maintenance	27,156
Mellen Street Training Facility	26,169
24/7 Sobriety Program	6,496
Development Services	55,938
Repair & Demolition (managerial Fund 106)	6,767
Park Improvement (managerial Fund 108)	12,396
Indoor Pool (managerial Fund 114)	10,001
Borst Construction (managerial Fund 124)	54,639
Borst Home (managerial Fund 125)	2,886
Washington Lawn Cemetery (managerial Fund 130)	2,350
Total Assigned Fund Balance	<u>\$ 560,195</u>

General Fund (001) Reserved	727,587
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General Fund (001) Unreserved	<u>3,413,726</u>
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Total General Fund Balance	<u>\$4,141,313</u>
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Beginning and Ending Cash and Investments balances in managerial funds noted above are included in the General Fund and considered reserved for the purposes of those funds.

Balances in the qualifying Special Revenue Funds are displayed as reserved. Internal Service Fund and Pension Trust balances are reserved.

Utility Fund balances are either Reserved or Unreserved or a combination thereof.

Within the Utility funds, and in accordance with bond resolutions and certain related agreements, separate restricted accounts are required to be established. The assets held in these accounts are restricted for specific uses, including construction, bond reserves, debt service and deposits. Restricted resources currently include the following:

Light (401) Restricted

Bond Reserves	\$ 2,508,422
Debt Service	223,970
Customer Deposits	451,887
Total Light	<u>\$ 3,184,279</u>

Water (402) Restricted**

Bond Reserves	\$ 112,896
Debt Service	108,374
Customer Deposits	14,270
Total Water	\$ 235,540

Wastewater (403) Restricted**

Loan Reserves	\$ 1,889,960
Total Wastewater	\$ 1,889,960

Stormwater (405) Restricted

Loan Reserves	\$ 1,809
Total Stormwater	\$ 1,809

**As a result of the 2014 GAAP audit, beginning balances of the Water & Wastewater cash have been reclassified between restricted and unrestricted cash.

NOTE 2 – DEPOSITS & INVESTMENTS

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits are covered by the Federal Deposit Insurance Corporations and/or the Washington Public Deposit Protection Commission.

Type of Investment	City's Investments	Investments held as Agent	Total
LGIP	\$33,491,052.77	None	\$33,491,052.77

The City's investments consist entirely of deposits in the Washington State Local Government Investment Pool (LGIP). As of December 31, 2015, the City's LGIP balance was \$33,491,052.77. For financial reporting purposes, the City considers the LGIP deposit balance to be cash.

NOTE 3 - PROPERTY TAX

The Lewis County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each 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 2015 was \$.666940306245 per \$1,000 on an assessed valuation of \$1,007,975,532 for a total regular levy of \$672,259.51.

NOTE 4 – INTERFUND LOANS

From 2004 to 2007, the Wastewater Fund paid \$1,640,000 to the General Fund for the purchase of a watershed protection intangible asset. Since 2005, the City and Washington State Auditor's Office (SAO) have had conflicting opinions regarding the valuation of and accounting for the watershed protection intangible asset. In January 2009, an agreement was reached between the City and SAO to resolve the past findings regarding the interfund payments. In August 2009, the City Council passed a resolution ratifying the agreement whereby the intangible asset will be removed from the Wastewater Fund and \$1,640,000 is repaid to the Wastewater Fund by the General Fund via an interfund loan. The non-interest

bearing interfund loan is for twenty years and the \$82,000 annual payment from the General Fund to the Wastewater Fund commenced in 2010.

Interfund loan activity during 2015:

Borrowing Fund	Lending Fund	Balance 1/1/2015	New Loans	Repayments	Balance 12/31/15
General	Wastewater	\$1,230,000	\$ -	\$82,000	\$1,148,000
Flood Capital Project	Water	-	125,339	75,120	50,219
Storm & Surface Water	Water	-	175,000	-	175,000

NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (Schedule 09) provides more details of the outstanding debt and liabilities of the City of Centralia and summarizes the City's debt transactions for the year ended December 31, 2015.

The debt service requirements for general obligation bonds, revenue bonds and other debt (which includes State Revolving Fund Loans, Public Works Trust Fund Loans, Distressed County Loan and Centralia School District Loan) including both principal and interest, are as follows:

Year	Principal	Interest	Total
2016	\$ 4,558,432.09	\$1,112,938.52	\$ 5,671,370.61
2017	4,648,962.27	1,008,909.29	5,657,871.56
2018	4,714,924.55	919,474.44	5,634,398.99
2019	4,682,873.29	839,044.22	5,521,917.51
2020	4,388,587.63	756,878.00	5,145,465.63
2021-2025	18,700,718.12	2,682,651.00	21,383,369.12
2026-2030	6,595,377.05	935,602.72	7,530,979.77
2031-2032	384,609.66	12,157.26	396,766.92
Total	\$48,674,484.66	\$8,267,655.45	\$56,942,140.11

*Does not include compensated absences or pension liability.

Debt Refunding

On December 3, 2015, the City issued \$9,684,433 of Electric System Revenue Refunding Bonds, 2015 to advance refund \$9,590,000 of existing Electric System Revenue and Refunding Bonds, 2007.

The advance refunding was undertaken to reduce total debt service payments over the next eleven (11) years by \$1,220,715, and obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,069,130.

Funds totaling \$9,947,173, were transferred to the refunding trustee at closing and held in an irrevocable escrow account. Available cash and investments are expected to meet all debt service requirements on the advance refunded bonds. The refunded bonds constitute a contingent liability of the Electric Fund but are excluded from the financial statements.

NOTE 6 - PENSION PLANS

A. State Sponsored Pension Plans

Substantially all City full-time and qualifying part-time employees participate in either the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2 or the Public Employees' Retirement System (PERS) Plans 1, 2 and 3 administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Contributions to the systems of both employee and employer are based upon gross wages covered by plan benefits.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2015 (the measurement date of the plans), the City's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities (Schedule 09), was as follows:

	Allocation %	Liability (Asset)
PERS 1	.075450%	3,946,737
PERS 2/3	.089115%	3,184,130
LEOFF 1	.046024%	(554,691)
LEOFF 2	.091679%	(942,277)

LEOFF Plan 1

The City participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The City also participates in LEOFF Plan 2. The legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statutes.

B. Local Government Pension System

The City is the administrator of a pension retirement system called the Firemen's Pension System. The system is shown as a trust fund in the financial statements of the City. As of December 31, 2015, membership consisted of 12 individuals.

The most recent actuarial review of the system was done by Milliman and Robertson, Inc. to determine the funding requirements as of December 31, 1999. As of that date, the actuarial present value of future benefits was \$1,006,000; the market value of assets held by the Fund was \$651,000, leaving an unfunded pension benefit obligation of \$297,000 at the end of 1999. Per the actuarial study, the City contributed \$297,000 in 2000 to fully fund the Firemen's Pension System.

The total balance in the Firemen's Pension Fund available to pay pension benefits as of December 31, 2015 is \$937,184.

NOTE 7 - JOINT VENTURES

A. Chehalis - Centralia Airport

In August of 2004, the City decided to conclude its participation in the Joint Operating Agreement for the Chehalis-Centralia Airport. The two board positions filled by the City have been eliminated. The City will receive a proportional share of any property or assets acquired while the City was an acting party to the agreement if the Airport is sold. Financial statements for the Chehalis-Centralia Airport can be obtained from its administrator at Airport, PO Box 1344, Chehalis, WA 98532.

B. Lewis County Event Center and Sports Complex

On March 22, 2010, the City, along with Lewis County Public Facilities District, Centralia School District and Lewis County Event Center LLC, agreed to finance, construct and operate the Lewis County Event Center and Sports Complex (the "Project"). The Project, to be completed in phases, consists of an event center, parking, turf for the football/soccer field and new track facilities, six tennis courts, a multi-use field, four baseball/softball fields, trails and a zip line. The Project will be a "regional center" under RCW 36.100.030 and RCW 35.57.020 and serve the entire State of Washington and other parts of the Pacific Northwest and western Canada for sports and other events.

C. Transportation Benefit District (TBD)

On October 28, 2014 the City Council approved Ordinance No. 2337 creating the Transportation Benefit District (TBD) of the City of Centralia, Washington pursuant to chapter 36.73 of the Revised Code of Washington (RCW). The purpose of the TBD is to provide funding for transportation improvement projects that preserve, maintain and improve transportation infrastructure within the district boundaries which are located within the corporate city limits of the City of Centralia. The members of the City Council, acting ex officio and independently, constitute the Governing Body of the district. No revenues were collected in 2015. There were no financial operations during 2015 for the TBD.

On July 14, 2015 the Governing Board of the TBD adopted a resolution to place before the qualified electors of the district a ballot measure to impose a two-tenths of one percent (0.2%) sales and use tax on retail sales for a period not to exceed ten years. The measure went before the electors in the November 3, 2015 general election and passed. The TBD began collecting revenues in April 2016.

On February 23, 2016 the City passed Ordinance No. 2363 where the City assumed the rights, powers, functions and obligations of the TBD as allowed by second engrossed substitute Senate Bill 5987, Section 302 and abolished the TBD Governing Board following its assumption.

NOTE 8 - POSTRETIREMENT BENEFITS OTHER THAN PENSION BENEFITS

The City has a commitment to pay for post-employment benefits for employees that belong to LEOFF 1 in accordance with the Washington Law Enforcement Officers and Fire Fighters Retirement System (LEOFF) Act (RCW 41.26). These benefits include 100% of the unpaid portion of validated claims for

medical and hospitalization costs incurred by pre-Medicare and post-Medicare retirees, health insurance premiums and the premium for a Medicare supplement for each retiree eligible for Medicare.

Employer contributions are financed on a pay-as-you-go basis. Expenditures for postretirement health care benefits are recognized as retirees report claims in the Fire and Police budgets. There is no provision for estimated claims incurred but not yet reported to the City.

During 2015, 25 retirees received benefits and \$269,877 was paid out for those benefits (medical insurance premiums and excess medical claims).

NOTE 9 - CLOSURE AND POST CLOSURE CARE

A. Governing Laws, Background and Funding

On August 28, 1990, the Centralia Landfill was listed on the Washington State Hazardous Sites List pursuant to Chapter 70.105D RCW, the Model Toxics Control Act, and WAC 173-340-330, and on August 30, 1990, the Landfill was added to the Federal National Priorities List (NPL) pursuant to 42 U.S.C. Section 9605 of the Comprehensive Environment Response, Compensation, and Liability Act (CERCLA or Superfund). As a result of these listings, it was necessary for the Landfill to be remediated pursuant to the requirements of these laws.

On May 1, 1990, Centralia, Chehalis, Morton, Mossyrock, Pe Ell, Vader, and Lewis County entered into an interlocal agreement regarding closure of the Centralia Landfill. Under the agreement, the local governments formed the Centralia Landfill Closure Group (CLCG) and agreed to take all action reasonably necessary to comply with certain environmental laws governing remediation and closure of the Landfill, and to share the costs of such compliance, to the extent such costs are not covered by amounts in the Landfill Closure Trust Fund or recovery from insurance claims. The agreement allocated responsibility for those costs among the signing local governments. The City's allocation of liability is for 35.08% of the costs and fees associated with litigation related to landfill remediation and closure. Parties to the agreement could opt out once the shared costs reached \$13 million.

The City reached a settlement of \$2.7 million in its claim against its insurers regarding the insurers' duty to defend and indemnify the City for remediation of the Landfill under the City's property and comprehensive general liability insurance policies.

In addition to the members of the CLCG, the Washington Department of Ecology (DOE) has identified at least four other potentially liable parties (PLP) who are responsible for assisting in remediating the Landfill. The CLCG negotiated with one of the PLPs to obtain a contribution for cleanup costs.

As local government PLPs in an economically disadvantaged county, the City and other members of the CLCG are eligible to receive up to 75% grant funding for remedial action costs under the DOE remedial action grants program. The City obtained a \$1.94 million grant under this program to conduct an estimated \$2.66 million interim action at the Landfill. This interim action, which was undertaken pursuant to a consent decree entered into between the members of the CLCG and the DOE, was intended to separate storm water from leachate, limit public access to the Landfill, and provide temporary cover over closed portions of the Landfill.

In April 1992, the DOE negotiated with the CLCG members and two other PLPs to develop a scope of ecology work and consent decree for a remedial investigation and feasibility study (RI/FS) at the Landfill. The DOE issued a first phase grant award beginning in January 1993, for RI/FS work.

In April of 1994, the Landfill closed pursuant to agreements and a final cover was installed in the summer of 1994. In August, the CLCG received a Local Government grant of \$8.7 million from the Lewis County

Sanitation District and a \$5 million grant from the DOE to fund the final cover and provide funds for remediation and closure.

The \$8.7 million grant from the Lewis County Sanitation District was returned to them in April 1997 because construction activities at the landfill did not require that support. Remedial investigation leading to feasibility reports have been delivered to the DOE for their review and issuance of a cleanup action plan. The DOE has reviewed the CLCG's feasibility study and issued a draft Cleanup Action Plan (CAP). The draft CAP was available for public review and comment in September 2000. A second public hearing on the proposed consent decree was held in March of 2001. The order entering the CAP Consent Decree was filed with the United States District Court Western District of Washington at Seattle and signed on May 22, 2001. The Consent Decree stipulated the draft monitoring plans for the landfill needed to be submitted to the DOE within 45 days of the effective date of the Consent Decree. The CLCG had submitted the draft monitoring plans to the DOE in May of 1999; however, changes to the draft monitoring plans were made in late summer of 1999. A letter was submitted to the DOE on June 12, 2001 requesting acceptance and review of the monitoring plans submitted in June of 1999 along with proposed amendments to the plans.

In July 2002, the CLCG received funding approval for a 75% grant through the DOE to purchase two parcels of land to the north of the landfill, construct a fence, and complete the wetland mitigation report. The CLCG completed all of the projects with the exception of the property purchase of one parcel of land known as the Christian School property. The Christian School board members chose not to accept the CLCG's offer to purchase a portion of their property where the old landfill, which was closed in 1958, lies.

A multi-layer cover system was designed to eliminate infiltration of precipitation into the landfill and direct clean surface runoff into a wetland mitigation area south of the Landfill. In addition to the cover, a permanent gas collection system was installed beneath the cover and a permanent gas flare system was installed adjacent to the Landfill entrance facilities for gas treatment. Perimeter fencing was completed around the Landfill to enclose all of the Final Cover Area and much of the Closed North End Landfill. Three environmental covenants were recorded for the site to prohibit activities that would result in the release of contaminants.

As required by WAC 173-340-420(2), DOE conducted a 5-year review of the site and held a public comment period for the Periodic Review Draft Report in October 2010. DOE reviews cleanups at least every five years to ensure they protect human health and the environment.

After reviewing this site, DOE has determined that the cleanup actions completed at the site are protective of human health and the environment. DOE will conduct another periodic review in 5 years.

B. Funding Status

The Landfill Closure Fund, which is reflected as a special revenue fund of the City, was established to account for the revenues and expenditures of the closure and post closure care.

In order to maintain sufficient funds to satisfy the purposes of the Landfill Closure Agreement and fund the Landfill Closure Operating Trust Fund, the CLCG contacted the Solid Waste Disposal District No. 1 of Lewis County pursuant to Section 7.3 of the Second Amended Interlocal Agreement Regarding Centralia Landfill Closure and Section 3.B of the Interlocal Agreement Regarding Lewis County Solid Waste Disposal District and Flow Control. Actual revenue requirements for year 2015 were \$114,010 and were funded by available reserves and the Disposal District. At year-end 2015, the reserves amount to \$254,911. Revenue requirements for Landfill Closure activities for year 2016 are projected to be \$160,445 and will be funded by available reserves and the Disposal District. Ensuing years will be funded in a similar procedure.

The yearly post closure expenditures will continue to fluctuate as known circumstances change due to engineering determinations, inflation, deflation, technology, or applicable laws or regulations.

C. Other

The amended Interlocal Agreement regarding the Centralia Landfill Closure is set to terminate on August 31, 2016. The City and County are working out the details of transferring responsibility for operating the closed landfill from the City to the Lewis County Solid Waste Disposal District effective January 1, 2017.

NOTE 10 - OTHER DISCLOSURES

A. Accounting and Reporting Changes

- 1) Beginning with Fiscal Year 2011, the City is reporting all funds on a cash basis. It also plans to separately issue GAAP financial statements for the four utility funds.
- 2) The 2011 implementation of GASB 54 resulted in identification of several previously reported special revenue funds which now do not meet the constraints imposed on revenue sources. The City continues to budget for these funds for managerial purposes. The following were rolled into the General Fund for financial reports:

Fund 106	Repair and Demolition
Fund 108	Park Improvement
Fund 114	Indoor Pool
Fund 124	Borst Park Construction Fund
Fund 125	Borst Home
Fund 130	Washington Lawn Cemetery

Fund 104 Paths and Trails was combined for reporting with Fund 101 Streets; its major revenue sources are gas tax and transfers from the Street Fund.

Landfill Closure and Landfill Operation Trust funds (Fund 131 and Fund 132) are combined and displayed as one special revenue fund for reporting purposes.

B. Subsequent Events

1) Transportation Benefit District (TBD)

See Note 7, Item C

2) Landfill Closure

See Note 9, Item C

C. Other Commitments

1) Distressed Counties Fund Loan, 2010

The City in partnership with the Lewis County EDC was successful in attracting Millard Refrigeration Services (Millard) to locate within the City's Urban Growth Area. In the effort to attract Millard to Centralia, the City applied for and was the recipient of Lewis County's Distressed Counties Fund (.09 funds) collected under the authority of RCW 82.14.370. A total of \$600,000 (grant for \$300,000 and loan for \$300,000) was awarded and earmarked for the design and construction of utility infrastructure at Millard's.

The City began repayment of the \$300,000, 2.00 percent per annum, twenty year loan in December 2010. The City's General Fund will repay the loan with increased electric utility taxes due to Millard's operations. Should Millard cease business during any year prior to April 13, 2016, Millard has agreed to reimburse the City for the \$300,000 loan portion as follows: year 1 = \$300,000; year 2 = \$250,000; year 3 = \$200,000; year 4 = \$150,000; year 5 = \$100,000; and year 6 = \$50,000.

2) Centralia School District Contract, 2013

On May 15, 2013, the City of Centralia entered into an agreement with the Centralia School District #401 to share the cost of HVAC modernization improvements at the Community Indoor Swimming Pool. The City agreed to provide the School District \$20,769.03 per year for ten years beginning September 15, 2013, as its share of the bonded debt issued by the School District. The City's obligation of \$207,690 is included in the Schedule of Liabilities (Schedule 09).

3) Construction Commitments

The City has active construction projects as of December 31, 2015. At year end, the City's projects and commitments with contractors are as follows:

Project	Spent To Date	Remaining Commitment	Funding Source
2015 Asphalt Patch Project	\$ 37,027	\$ 1,949	Water Capital Reserves
2015 Sidewalk Repair	17,765	2,615	Risk Management Grant
Computer Training Room Remodel	124,005	42,067	Light Capital Reserves
Cooks Hill to River Heights Water Main Installation	79,289	9,249	Water Capital Reserves
Davis Hill Water Reservoir Repainting	265,696	19,556	Water Capital Reserves
Gold Street Viaduct to Exhibitor Paving Project	574,429	49,571	Federal Grant & Street Revenue
May Street Feeders M4/M5	155,026	25,129	Light Capital Reserves
Penstock #2 at Yelm Plant Repainting	43,878	2,194	Light Capital Reserves
Salzer Valley M-1 Upgrade & Courtland St M-2 Upgrade	-	116,347	Light Capital Reserves
Stormwater Decant Facility	973,204	(36,915)	State Grant & Stormwater Revenue
Wastewater Decant Facility	1,261,049	20,000	Wastewater Capital Reserves
Water Dept Breakroom Remodel	68,044	188,826	Water Capital Reserves
Yew & Main St Signal Project	470,480	145,671	Federal Grant & Street Revenue
	<u>\$4,069,892</u>	<u>\$586,259</u>	

City of Centralia
Schedule of Liabilities
For the Year Ended December 31, 2015

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2010 LTGO Bond (Sports Complex)	12/1/2030	1,040,000	-	50,000	990,000
251.11	2013 LTGO Refunding Bond (Streetscape)	5/1/2021	987,525	-	131,065	856,460
251.11	2013 LTGO Bond (QECB)	8/1/2023	990,000	-	110,000	880,000
Total General Obligation Debt/Liabilities:			3,017,525	-	291,065	2,726,460
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	2007 Electric Revenue Bond	12/1/2026	12,050,000	-	10,365,000	1,685,000
252.11	2007 Electric Refunding Bond	12/1/2019	2,520,000	-	455,000	2,065,000
252.11	2010 Electric Revenue Bond (Build America)	12/1/2030	10,250,000	-	410,000	9,840,000
252.11	2013 Water Revenue/Refunding Bond	5/1/2021	961,708	-	162,999	798,709
252.11	2015 Electric Revenue/Refunding Bond	12/1/2026	-	9,684,433	-	9,684,433
263.82	2010 Distressed Counties Loan (Millard)	12/1/2029	233,110	-	13,453	219,657
263.82	2013 Centralia School District (HVAC-Indoor Pool)	6/1/2023	176,537	-	20,769	155,768
259.12	COMPENSATED ABSENCES (Governmental Funds)		985,997	4,659	24,039	966,617
259.12	COMPENSATED ABSENCES (Proprietary Funds)		978,498	46,077	57,580	966,995
264.30	PENSION LIABILITIES (Governmental Funds)		-	1,702,644	-	1,702,644
264.30	PENSION LIABILITIES (Proprietary Funds)		-	5,428,223	-	5,428,223
263.82	PWTF 1995 Basin 4 Ph 1	7/1/2015	29,465	-	29,465	-
263.82	PWTF 2002 Maple/Hansen	7/1/2022	66,405	-	8,301	58,105
263.82	PWTF 2002 Cooks Hill Water	6/1/2022	1,024,927	-	128,116	896,811
263.82	PWTF 2002 Swanson Heights	7/1/2021	290,272	-	41,467	248,804
263.82	PWTF 2004 Cooks Hill Sewer	7/1/2024	629,376	-	62,938	566,438
263.82	SRF 1997 Basin 4 Ph II	9/10/2018	166,992	-	41,748	125,244

263.82	SRF 2002 Ham Hill Water	10/1/2023	295,692	-	32,855	262,838
263.82	SRF 2005 WWTP Loan A	11/1/2024	16,928,121	-	1,692,812	15,235,309
263.82	SRF 2005 Port North Ext	10/1/2024	1,156,772	-	115,677	1,041,095
263.82	SRF 2006 WWTP Loan B	8/31/2026	364,275	-	30,356	333,919
263.82	SRF 2013 DOE I&I Reduction	12/31/2032	2,858,246	-	127,349	2,730,897
Total Revenue and Other (non G.O.) Debt/Liabilities:			51,966,392	16,866,036	13,819,924	55,012,504
Total Liabilities:			54,983,917	16,866,036	14,110,989	57,738,964

ABOUT THE STATE AUDITOR'S OFFICE

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov