



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Financial Statements Audit Report

City of College Place

Walla Walla County

For the period January 1, 2012 through December 31, 2013

Published December 29, 2014

Report No. 1013254





Washington State Auditor Troy Kelley

December 29, 2014

Mayor and City Council
City of College Place
College Place, Washington

Report on Financial Statements

Please find attached our report on the City of College Place'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 College Place
Walla Walla County
January 1, 2012 through December 31, 2013**

Mayor and City Council
City of College Place
College Place, 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 College Place, Walla Walla County, Washington, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 17, 2014.

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 audits 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 cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

December 17, 2014

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of College Place Walla Walla County January 1, 2012 through December 31, 2013

Mayor and City Council
City of College Place
College Place, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of College Place, Walla Walla County, Washington, for the years ended December 31, 2013 and 2012, 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 audits. We conducted our audits 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 College Place has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed 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 College Place, for the years ended December 31, 2013 and 2012, 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 College Place, as of December 31, 2013 and 2012, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

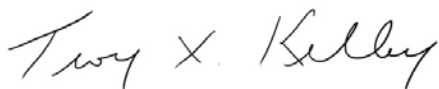
Other Matters

Supplementary and Other Information

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Liabilities are presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are 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 December 17, 2014 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

December 17, 2014

FINANCIAL SECTION

**City of College Place
Walla Walla County
January 1, 2012 through December 31, 2013**

FINANCIAL STATEMENTS

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FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 Current Expense Fund	100 Street Fund	120 Criminal Justice Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	3,429,902	70,734	264,034	40,322
30880	Beg Fund Bal-Unreserved	2,860,699	1,136,959	0	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	3,451,868	3,357,982	0	0
320	Licenses & Permits	539,042	415,692	1,020	0
330	Intergovernmental Revenues	1,132,170	153,450	307,693	10,045
340	Charges for Goods and Services	4,305,367	305,371	550	0
350	Fines & Penalties	94,421	93,017	0	0
360	Miscellaneous Revenues	213,037	78,483	1,122	40
Total Operating Revenues:		9,735,906	4,403,995	310,385	10,085
Operating Expenditures					
510	General Government	600,739	598,254	1,905	0
520	Public Safety	2,072,472	2,072,458	0	14
530	Utilities	2,303,878	0	0	0
540	Transportation	833,098	7,943	303,485	0
550	Natural and Economic Environment	161,405	161,405	0	0
560	Social Services	1,709	1,709	0	0
570	Culture And Recreation	91,156	91,156	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		6,064,458	2,932,926	305,389	14
Net Operating Increase (Decrease):		3,671,449	1,471,070	4,995	10,071
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	784,082	3,178	14,176	0
391-393	Debt Proceeds	235,503	0	0	0
397	Transfers-In	779,639	0	395,000	0
Total Nonoperating Revenues:		1,799,224	3,178	409,176	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	35,915	35,915	0	0
591-593	Debt Service	1,782,063	0	0	0
594-595	Capital Expenditures	938,581	45,211	234,221	25,296
597	Transfers-Out	779,639	714,159	0	0
Total Nonoperating Expenditures:		3,536,198	795,284	234,221	25,296
Increase (Decrease) in Cash and Investments		1,934,474	678,963	179,950	-15,225
Ending Cash and Investments					
50810	End Fund Bal-Reserved	4,371,806	68,962	443,985	25,098
50880	End Fund Balance-Unreserved	3,853,270	1,817,693	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		121 Forfeited Proceeds Fund	201 ULTGO Bond Fund	202 99 South End Bond Fund	235 Commercial Drive Bond Debt Service Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	15,362	15,355	2,876	171,120
30880	Beg Fund Bal-Unreserved	0	0	0	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	1,404	0	0	0
360	Miscellaneous Revenues	11	28	8	108
Total Operating Revenues:		1,415	28	8	108
Operating Expenditures					
510	General Government	6	76	21	42
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		6	76	21	42
Net Operating Increase (Decrease):		1,409	-48	-13	66
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	50,000
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	246,043	73,116	0
Total Nonoperating Revenues:			246,043	73,116	50,000
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	245,693	73,067	140,484
594-595	Capital Expenditures	11,896	0	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:		11,896	245,693	73,067	140,484
Increase (Decrease) in Cash and Investments		-10,487	303	36	-90,418
Ending Cash and Investments					
50810	End Fund Bal-Reserved	4,875	15,657	2,912	80,702
50880	End Fund Balance-Unreserved	0	0	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		301 Street Capital Contribution Fund	305 Capital Improvement Fund (REET)	309 Myra Road Fund	311 Street Improvement Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	74,948	453,140	55,678
30880	Beg Fund Bal-Unreserved	0	0	0	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	93,886	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	88,792	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	16	125	507	63
Total Operating Revenues:		88,808	94,011	507	63
Operating Expenditures					
510	General Government	0	52	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	2,952	25
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:			52	2,952	25
Net Operating Increase (Decrease):		88,808	93,959	-2,445	38
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	2,684	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:				2,684	
Increase (Decrease) in Cash and Investments		88,808	93,959	-5,129	38
Ending Cash and Investments					
50810	End Fund Bal-Reserved	88,808	168,907	448,011	55,716
50880	End Fund Balance-Unreserved	0	0	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		315 Facility Maintenance Reserve Fund (CE)	330 Economic Development Fund	340 Economic Development Reserve Fund	400 Water Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	100,099	313,325	65	784,655
30880	Beg Fund Bal-Unreserved	0	0	0	613,056
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	54,530
330	Intergovernmental Revenues	0	621,865	0	0
340	Charges for Goods and Services	0	118,312	0	862,282
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	113	326	0	99,484
Total Operating Revenues:		113	740,503	0	1,016,296
Operating Expenditures					
510	General Government	44	138	0	23
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	844,745
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		44	138	0	844,768
Net Operating Increase (Decrease):		69	740,365	0	171,529
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	666,022
391-393	Debt Proceeds	0	0	0	235,503
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					901,524
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	557,733
594-595	Capital Expenditures	0	488,026	0	50,859
597	Transfers-Out	0	0	0	65,480
Total Nonoperating Expenditures:			488,026		674,072
Increase (Decrease) in Cash and Investments		69	252,339	0	398,982
Ending Cash and Investments					
50810	End Fund Bal-Reserved	100,167	565,664	65	1,131,466
50880	End Fund Balance-Unreserved	0	0	0	665,225

The accompanying notes are an integral part of this Statement.

BARS Code		401 Wastewater Fund	405 Appointment Keeper Transport	500 Equipment Rental & Replacement
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	1,068,189	0	0
30880	Beg Fund Bal-Unreserved	725,705	88,046	296,933
38800/58800	Prior Period Adjustments, net	0	0	0
Operating Revenues				
310	Taxes	0	0	0
320	Licenses & Permits	67,800	0	0
330	Intergovernmental Revenues	0	39,117	0
340	Charges for Goods and Services	2,396,412	202,506	331,144
350	Fines & Penalties	0	0	0
360	Miscellaneous Revenues	13,674	1,185	17,746
Total Operating Revenues:		2,477,885	242,807	348,890
Operating Expenditures				
510	General Government	178	0	0
520	Public Safety	0	0	0
530	Utilities	1,459,133	0	0
540	Transportation	0	220,629	298,064
550	Natural and Economic Environment	0	0	0
560	Social Services	0	0	0
570	Culture And Recreation	0	0	0
598	Intergovernmental Payments	0	0	0
Total Operating Expenditures:		1,459,311	220,629	298,064
Net Operating Increase (Decrease):		1,018,575	22,179	50,826
Nonoperating Revenues				
370, 380, 395, 398	Other Financing Sources	50,707	0	0
391-393	Debt Proceeds	0	0	0
397	Transfers-In	65,480	0	0
Total Nonoperating Revenues:		116,187		
Nonoperating Expenditures				
580, 596, 599	Other Financing Uses	0	0	0
591-593	Debt Service	765,087	0	0
594-595	Capital Expenditures	11,123	49,025	20,242
597	Transfers-Out	0	0	0
Total Nonoperating Expenditures:		776,210	49,025	20,242
Increase (Decrease) in Cash and Investments		358,552	-26,846	30,584
Ending Cash and Investments				
50810	End Fund Bal-Reserved	1,170,810	0	0
50880	End Fund Balance-Unreserved	981,636	61,199	327,517

The accompanying notes are an integral part of this Statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		Total for All funds*	001 Current Expense Fund	100 Street Fund	110 Myra Road Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	115,884	0	0	0
30880	Beg Fund Bal-Unreserved	7,034,491	1,394,557	136,585	456,696
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	3,389,938	3,308,575	0	0
320	Licenses & Permits	330,630	208,728	1,560	0
330	Intergovernmental Revenues	1,365,286	445,925	541,924	0
340	Charges for Goods and Services	4,332,253	286,972	209	0
350	Fines & Penalties	94,516	92,769	0	0
360	Miscellaneous Revenues	605,565	83,473	1,773	32
Total Operating Revenues:		10,118,188	4,426,442	545,466	32
Operating Expenditures					
510	General Government	849,479	828,868	1,056	0
520	Public Safety	2,124,223	2,113,799	0	0
530	Utilities And Environment	2,405,943	4,099	0	0
540	Transportation	919,321	25,025	365,111	3,588
550	Economic Environment	223,853	223,853	0	0
560	Mental & Physical Health	2,287	2,287	0	0
570	Culture And Recreation	95,465	95,465	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		6,620,571	3,293,396	366,167	3,588
Net Operating Increase (Decrease):		3,497,617	1,133,046	179,299	-3,556
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	63,106	19,375	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	1,611,521	0	875,000	0
Total Nonoperating Revenues:		1,674,627	19,375	875,000	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	13,109	13,109	0	0
591-593	Debt Service	1,811,667	0	0	0
594-595	Capital Expenditures	2,595,727	84,720	926,850	0
597	Transfers-Out	1,611,521	1,312,193	0	0
Total Nonoperating Expenditures:		6,032,024	1,410,022	926,850	
Increase (Decrease) in Cash and Investments		-859,780	-257,601	127,449	-3,556
Ending Cash and Investments					
50810	End Fund Bal-Reserved	3,429,902	0	264,034	453,140
50880	End Fund Balance-Unreserved	2,860,696	1,136,956	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		111 Street Improvement Fund	112 Technology Reserve Fund	115 Facility Maintenance Reserve Fund (CE)	120 Criminal Justice Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	55,680	78,923	100,031	46,616
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	9,418
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	2	139	139	74
Total Operating Revenues:		2	139	139	9,492
Operating Expenditures					
510	General Government	0	18,737	71	0
520	Public Safety	0	0	0	10,424
530	Utilities And Environment	0	0	0	0
540	Transportation	5	0	0	0
550	Economic Environment	0	0	0	0
560	Mental & Physical Health	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		5	18,737	71	10,424
Net Operating Increase (Decrease):		-3	-18,598	68	-932
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	20,000	0	0
Total Nonoperating Revenues:			20,000		
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	9,591	0	5,362
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:			9,591		5,362
Increase (Decrease) in Cash and Investments		-3	-8,189	68	-6,294
Ending Cash and Investments					
50810	End Fund Bal-Reserved	55,678	70,734	100,099	40,322
50880	End Fund Balance-Unreserved	0	0	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		121 Forfeited Proceeds Fund	201 ULTGO Bond Fund	202 99 South End Bond Fund	235 Commercial Drive Bond Debt Service Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	23,619	15,347	2,840	311,284
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	1,747	0	0	0
360	Miscellaneous Revenues	21	85	23	353
Total Operating Revenues:		1,768	85	23	353
Operating Expenditures					
510	General Government	26	126	34	33
520	Public Safety	0	0	0	0
530	Utilities And Environment	0	0	0	0
540	Transportation	0	0	0	0
550	Economic Environment	0	0	0	0
560	Mental & Physical Health	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		26	126	34	33
Net Operating Increase (Decrease):		1,742	-41	-11	320
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	235,718	71,475	0
Total Nonoperating Revenues:			235,718	71,475	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	235,670	71,427	140,483
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	10,000	0	0	0
Total Nonoperating Expenditures:		10,000	235,670	71,427	140,483
Increase (Decrease) in Cash and Investments		-8,258	7	37	-140,163
Ending Cash and Investments					
50810	End Fund Bal-Reserved	15,362	15,355	2,876	171,120
50880	End Fund Balance-Unreserved	0	0	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		305 Capital Improvement Fund (REET)	330 Economic Development Fund	340 Economic Development Reserve Fund	400 Water Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	115,884
30880	Beg Fund Bal-Unreserved	186,552	509,167	65	1,520,438
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	81,363	0	0	0
320	Licenses & Permits	0	0	0	56,500
330	Intergovernmental Revenues	0	227,605	0	0
340	Charges for Goods and Services	0	0	0	1,484,097
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	112	7,203	0	122,137
Total Operating Revenues:		81,475	234,808		1,662,734
Operating Expenditures					
510	General Government	36	433	0	25
520	Public Safety	0	0	0	0
530	Utilities And Environment	0	0	0	881,520
540	Transportation	0	3,751	0	0
550	Economic Environment	0	0	0	0
560	Mental & Physical Health	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		36	4,184		881,545
Net Operating Increase (Decrease):		81,439	230,624	0	781,189
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	-500
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	335,000	0	0
Total Nonoperating Revenues:			335,000		-500
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	597,530
594-595	Capital Expenditures	193,043	686,468	0	282,443
597	Transfers-Out	0	75,000	0	139,328
Total Nonoperating Expenditures:		193,043	761,468		1,019,301
Increase (Decrease) in Cash and Investments		-111,604	-195,844	0	-238,612
Ending Cash and Investments					
50810	End Fund Bal-Reserved	74,948	313,325	65	784,655
50880	End Fund Balance-Unreserved	0	0	0	613,055

The accompanying notes are an integral part of this Statement.

BARS Code		401 Wastewater Fund	405 Appointment Keeper Transport	500 Equipment Rental & Replacement
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	0	0	0
30880	Beg Fund Bal-Unreserved	1,801,426	122,301	272,364
38800/58800	Prior Period Adjustments, net	0	0	0
Operating Revenues				
310	Taxes	0	0	0
320	Licenses & Permits	63,842	0	0
330	Intergovernmental Revenues	135,000	0	5,414
340	Charges for Goods and Services	2,366,025	194,950	0
350	Fines & Penalties	0	0	0
360	Miscellaneous Revenues	52,676	1,311	336,012
Total Operating Revenues:		2,617,543	196,261	341,426
Operating Expenditures				
510	General Government	34	0	0
520	Public Safety	0	0	0
530	Utilities And Environment	1,520,324	0	0
540	Transportation	0	230,515	291,326
550	Economic Environment	0	0	0
560	Mental & Physical Health	0	0	0
570	Culture And Recreation	0	0	0
598	Intergovernmental Payments	0	0	0
Total Operating Expenditures:		1,520,358	230,515	291,326
Net Operating Increase (Decrease):		1,097,185	-34,254	50,100
Nonoperating Revenues				
370, 380, 395, 398	Other Financing Sources	44,231	0	0
391-393	Debt Proceeds	0	0	0
397	Transfers-In	64,328	0	10,000
Total Nonoperating Revenues:		108,559		10,000
Nonoperating Expenditures				
580, 596, 599	Other Financing Uses	0	0	0
591-593	Debt Service	766,557	0	0
594-595	Capital Expenditures	371,720	0	35,530
597	Transfers-Out	75,000	0	0
Total Nonoperating Expenditures:		1,213,277		35,530
Increase (Decrease) in Cash and Investments		-7,533	-34,254	24,570
Ending Cash and Investments				
50810	End Fund Bal-Reserved	1,068,189	0	0
50880	End Fund Balance-Unreserved	725,704	88,047	296,934

The accompanying notes are an integral part of this Statement.

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds	625 Flexible Benefits Plan Fund	635 Municipal Court Trust Account
308	Beginning Cash and Investments	26,787	9,183	17,604
388 and 588	Prior Period Adjustments, net	0	0	0
310-360	Revenues	0	0	0
380-390	Other Increases and Financing Sources	176,303	9,323	166,979
510-570	Expenditures	11,089	11,089	0
580-590	Other Decreases and Financing Uses	183,582	0	183,582
Increase (Decrease) in Cash and Investments		-18,369	-1,766	-16,603
508	Ending Cash and Investments	8,419	7,417	1,002

The accompanying notes are an integral part of this Statement.

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		Total for All funds	625 Flexible Benefits Plan Fund	635 Municipal Court Trust Account
308	Beginning Cash and Investments	27,346	7,957	19,389
388 and 588	Prior Period Adjustments, net	0	0	0
310-360	Revenues	12,364	12,364	0
370-390	Other Increases and Financing Sources	192,729	0	192,729
510-570	Expenditures	11,138	11,138	0
580-590	Other Decreases and Financing Uses	194,514	0	194,514
Increase (Decrease) in Cash and Investments		-559	1,226	-1,785
508	Ending Cash and Investments	26,787	9,183	17,604

The accompanying notes are an integral part of this Statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of College Place reports financial activity using the revenue 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 College Place was incorporated on December 24, 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 College Place is a general purpose government and provides public safety, fire protection and prevention, street improvement, parks, and general administrative services. In addition, the city owns and operates both water and wastewater utility systems. The City of College Place uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the City of College Place 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 of College Place's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the City of College Place:

GOVERNMENTAL FUND TYPES:**General (Current Expense) Fund**

This fund is the primary operating fund of the City of College Place. 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 City of College Place.

Debt Service Funds

These funds account 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 Funds

These funds account for operations that provide goods or services to other departments or funds of the City of College Place on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

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

Private Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds

These funds are used to account for assets that the City of College Place holds for others in an agency capacity.

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 budget appropriations as required by state law.

In accordance with state law the 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

The City of College Place adopts annual appropriated budgets for all 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 budget were as follows:

Fund	Department	Final Appropriations	Actual Expenses	Variance
001	Current Expense Fund			
	Current Expense Fund	\$ 4,944,407	\$ 3,666,336	\$ 1,278,071
	Technology Reserve Fund	78,250	61,849	16,401
	Employee Benefit Reserve Fund	50,000	25	49,975
	Subtotal 001 Current Expense Funds	5,072,657	3,728,210	1,344,447
100	Street Fund	787,150	539,610	247,540
120	Criminal Justice Fund	59,471	25,310	34,161
121	Forfeited Proceeds Fund	17,339	11,902	5,437
201	ULTGO Bond Fund	261,450	245,769	15,681
202	99 South End Bond Fund	75,980	73,088	2,892
235	Commercial Drive Bond Debt Service Fund	171,203	140,526	30,677
301	Street Capital Contribution Fund	-	-	-
305	Capital Improvement Fund (REET)	98,658	52	98,606
309	Myra Road Fund	456,810	5,636	451,174
311	Street Improvement Fund	55,755	25	55,730
315	Facility Maintenance Reserve Fund (CE)	75,106	44	75,062
330	Economic Development Fund	10,667,367	488,164	10,179,203
340	Economic Development Reserve Fund	65	0	65
400	Water Fund			
	Water System Construction Fund	300,478	49	300,429
	Water Fund	1,298,326	895,172	403,154
	Water Capital Reserve Fund	148,766	59	148,707
	Water Capital Improvement Reserve Fund	1,564,040	623,510	940,530
	2007 Water/Sewer Bond Reserve Fund	116,289	51	116,238
	Subtotal 400 Water Funds	3,427,899	1,518,840	1,909,059
401	Wastewater Fund			
	Wastewater Fund	2,081,162	1,469,961	611,201
	Wastewater Capital Reserve Fund	404,602	135	404,467
	Wastewater Debt Service Fund	1,514,596	655,979	858,617
	Water & Sewer Revenue Bond Fund	112,842	109,446	3,396
	Subtotal 401 Wastewater Funds	4,113,202	2,235,521	1,877,681
405	Appointment Keeper Transport	373,382	269,654	103,728
500	Equipment Rental & Replacement	588,537	318,306	270,231
625	Flexible Benefits Plan Fund	27,957	11,089	16,868
635	Municipal Court Trust Account	229,389	183,582	45,807

The above chart has “rolled” (combined) related fund accounts to meet the reporting requirements of the Washington State Auditor’s Office. The administrative and legislative bodies receive reports that are not “rolled” and provide detailed financial information for each individual authorized fund account.

The mayor and city administrator are authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of College Place's legislative body.

D. Cash

It is the City of College Place's policy to invest all temporary cash surpluses. The amount is included in the 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.

The surpluses are invested in either of two ways: in the State's Local Government Investment Pool, or within the city's public deposit accounts with Banner Bank, in which case the interest on those investments is prorated to the various funds.

E. Deposits

The City of College Place's deposits are covered by the Federal Deposit Insurance Corporation and/or by the Washington Public Deposit Protection Commission.

F. Investments (See Investment Note #2)

G. Capital Assets

The City does not currently have a capitalization policy. The capital assets of the City of College Place are recorded as expenditures when purchased.

H. Compensated Absences

A vacation leave balance of up to two hundred hours may be carried forward each year in concurrence with the employee's anniversary date. Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work (provided twelve months of employment with the city have occurred.) As of December 31, 2013, City of College Place employees had an accumulated bank of 8,328 hours of vacation and comp time. As of December 31, 2013 this bank had a potential total payout of \$264,055 if all city employees had been terminated at that time. The City has estimated an additional \$20,200 in associated payroll taxes for a total potential liability of \$284,255.

Sick leave may accumulate indefinitely. Cash-out of up to 40 hours of sick leave per year is allowed, provided that a balance of at least 96 hours remains on the books. This cash-out must be initiated during November each year. Normally, upon separation employees do not receive payment for unused sick leave. An employee who is retiring with a minimum of ten years of service with the city may cash out a maximum of one hundred and twenty hours of their accrued sick leave. As of December 31, 2013 this bank had a potential total payout of \$55,954. The City has estimated an additional \$4,280 in associated payroll taxes for a total potential liability of \$60,234.

The foregoing is in accordance with city personnel policies. Compensated vacation and sick leave benefits may vary in accordance with approved negotiated union contract agreements.

I. Long-Term Debt (See Long-Term Debt Note #4)

J. Other Financing Sources or Uses

The City's "Other Financing Sources or Uses" consist of operating transfers-in and operating transfers-out.

K. Risk Management

The City of College Place is a member of the Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of September 1, 2013, there are 236 members in the program.

The pool provides the following forms of joint self-insurance and excess coverage for its members: Property, including Automobile Comprehensive and Collision; Equipment Breakdown, and Crime Protection; and Liability, including General, Automobile, and Wrongful Acts, are included to fit members' various needs.

The program acquires liability insurance through their Administrator, Canfield, that is subject to a per-occurrence self-insured retention of \$100,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the pool is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy, with an attachment point of \$3,247,000 to cap the total claims paid by the program in any one year.

Property insurance is subject to a per-occurrence self insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self insured retention, in addition to the deductible.

Equipment Breakdown insurance is subject to a per-occurrence deductible of \$2,500 (\$10,000 for Pumps & Motors). Members are responsible for the deductible amount of each claim. There is no program self insured retention on this coverage.

Members contract to remain in the program for a minimum of one year, and must give notice before August 31 terminating participation the following September 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. The program has no employees. Claims are filed by members with Canfield, which has been contracted to perform program administration, claims adjustment and administration, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ending August 31 2013, were \$1,423,059. The risk pool's financial statements can be viewed at <http://ciaw.us>.

L. Reserve Fund Balance

Fund	Fund Name	Balance	Restriction	Purpose
001	Current Expense Fund	68,962.24	Internal	Operation, maintenance, and replacement of technology equipment, information systems, and media services (\$18,935.17). Reserve for post-employment benefit obligations (\$50,027.07).
100	Street Fund	443,985.40	Internal	Maintaining public ways
120	Criminal Justice Fund	25,097.92	External	Activities/items specifically identified by state statute (domestic violence related and/or DARE program)
121	Forfeited Proceeds Fund	4,875.20	Internal	Drug enforcement and related activities
201	ULTGO Bond Fund	15,656.60	External	Debt service of the Fire Station Bond (Fire Station Construction)
202	South End Bond Fund	2,912.09	External	Debt service of the South End Bond (Lamperti and Meadowbrook infrastructure improvements)
235	Commercial Dr. Bond Debt Service Fund	80,701.92	External	Debt service of the Commercial Drive Bond (Commercial Drive infrastructure improvements)
301	Street Capital Contribution Fund	88,807.70	Internal	Account for developer contributions to street projects.
305	Capital Improvement Fund (REET)	168,906.81	External	Capital projects identified on the City's Capital Facility Plan or Transportation Improvement Plan
309	Myra Road Fund	448,011.32	Internal	Improvements on Myra Road
311	Street Improvement Fund	55,716.37	Internal	Improvements of 12th St. and Larch Ave.
315	Facility Maintenance Reserve Fund	100,167.47	Internal	Major repair and replacement of City Hall, Annex, and Fire Station buildings
330	Economic Development Fund	565,664.41	Internal	Capital projects tied to economic and infrastructure development in commercial areas
340	Economic Development Reserve Fund	64.87	Internal	Infrastructure improvements that support/foster economic growth
400	Water System Construction Fund	86,435.30	Internal	Account for revenues and expenditures for water system capital improvements
400	Water Capital Reserve Fund	148,836.31	Internal	Purchase of equipment necessary to operate and maintain the water system
400	Water Capital Impr. Reserve/Debt Fund	780,037.23	Internal	Segregate money from water utility customer payments for water system capital improvements and related long term debt service
400	Water/Sewer Bond Reserve Fund	116,157.21	External	Reserve for debt service related to the financing of the water/sewer portion of the Whitman Drive Extension Project
401	Wastewater Capital Reserve Fund	344,360.83	Internal	Purchase of equip. necessary to operate and maintain the wastewater system
401	Wastewater Debt Service Fund	822,992.36	Internal	Debt service related to the financing of the Wastewater Treatment Plant
401	Water/Sewer Revenue Bond Fund	3,456.60	External	Debt service related to the financing of the water/sewer portion of the Whitman Drive Extension Project
625	Flexible Benefits Plan Fund	7,417.10	Internal	Fiduciary fund for employee contributions to the flexible benefit pretax spending plan
635	Municipal Court Trust Account	1,001.88	External	Agency fund for the revenues and expenditures related to the activities of the College Place Municipal Court
		4,380,225.14		

NOTE 2 - INVESTMENTS

The City of College Place's investments are insured, registered or held by the City of College Place or its agent in the City of College Place's name.

Investments are presented at fair market value by type at December 31, 2013 as follows:

Type of Investment	City's Own Investments	Investments held by the city as an agent for other local governments, individuals or private organizations.	Total
L.G.I.P.	\$ 4,292,127	\$ -	\$ 4,292,127

NOTE 3 - PROPERTY TAXES

The 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 of College Place. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied.

The City of College Place's regular levy for 2013 was \$2.239251 per \$1,000 on an assessed valuation of \$535,295,331 for a total regular levy of \$1,198,661.

In 2013 the city also levied an additional \$0.469018 per \$1,000, on an assessed valuation of \$523,844,631 for debt service on the Fire Station bond. The additional levy was \$245,693.

NOTE 4 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides a listing of the outstanding debt of the City of College Place and summarizes the City of College Place's debt transactions for 2013. The debt service requirements for general obligation and revenue bonds, including both principal and interest, are as follows:

	General Obligation Bonds	Revenue Debt	Total Debt
2013	\$ 458,941	\$ 1,322,518	\$ 1,781,459
2014	214,544	1,313,075	1,527,619
2015	140,484	1,307,863	1,448,347
2016	140,484	1,302,433	1,442,917
2017	140,484	1,291,626	1,432,110
2018-2022	702,419	4,497,584	5,200,003
2023-2027	280,375	2,076,093	2,356,468
2028	0	254,933	254,933
Totals	\$ 2,077,731	\$ 13,366,125	\$ 15,443,856

NOTE 5 - PENSION PLANS

Substantially all city full-time and qualifying part-time employees participate in either the Public Employees' Retirement System (PERS 1, 2, or 3), the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF 1 or 2) or the Volunteer Fire Fighters' Relief and Pension Fund. The PERS and LEOFF retirement systems are 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 of College Place's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trends 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 6 - OTHER DISCLOSURES**A. Change in Presentation**

The presentation of the City of College Place's funds in the attached schedules and other note disclosures has been modified from the previous year. Some funds have been renumbered according to the State of Washington Budgeting, Accounting, and Reporting System Cash Basis Manual, resulting in a more accurate picture of the City's finances.

Fund Name	2012 Fund Number	2013 Original Fund Number	2013 Corrected Fund Number	Rollup Fund Number
Myra Road Fund	110	309	309	N/A
Street Improvement Fund	111	311	311	N/A
Technology Reserve Fund	112	312	012	001
Facility Maintenance Reserve Fund	115	315	315	N/A
Employee Benefit Reserve Fund	N/A	510	061	001

B. Subsequent Events

On February 11, 2014, the City of College Place issued \$6,815,000 in unlimited tax general obligation bonds. The bonds were issued to help fund the City's "College Avenue/Rose Street Reconstruction Project" (CARS Project). The bonds will be repaid over a period of 20 years. The remainder of the funding for the approximately \$13,000,000 project will come from grants and local funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of College Place reports financial activity using the revenue 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 College Place was incorporated on December 24, 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 College Place is a general purpose government and provides public safety, fire protection and prevention, street improvement, parks, and general administrative services. In addition, the city owns and operates both water and wastewater utility systems. The City of College Place uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the City of College Place 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 of College Place's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the City of College Place:

GOVERNMENTAL FUND TYPES:**General (Current Expense) Fund**

This fund is the primary operating fund of the City of College Place. 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 City of College Place.

Debt Service Funds

These funds account 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 Funds

These funds account for operations that provide goods or services to other departments or funds of the City of College Place on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

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

Private Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds

These funds are used to account for assets that the City of College Place holds for others in an agency capacity.

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 budget appropriations as required by state law.

In accordance with state law the 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

The City of College Place adopts annual appropriated budgets for all 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 budget were as follows:

Fund	Department	Final Appropriations	Actual Expenses	Variance
1	Current Expense Fund	\$ 5,714,345.00	\$ 4,703,410.88	\$ 1,010,934.12
100	Street Fund	1,536,417.00	1,293,016.24	243,400.76
110	Myra Road Fund	456,710.00	3,587.84	453,122.16
111	Street Improvement Fund	55,681.00	4.52	55,676.48
112	Technology Reserve Fund	99,038.00	28,327.99	70,710.01
115	Facility Maintenance Reserve Fund	100,141.00	71.47	100,069.53
120	Criminal Justice Fund	56,211.00	15,785.32	40,425.68
121	Forfeited Proceeds Fund	25,644.00	10,025.89	15,618.11
201	ULTGO Bond Fund	251,140.00	235,795.24	15,344.76
202	99 South End Bond Fund	74,334.00	71,460.89	2,873.11
235	Commercial Drive Bond Debt Service Fund	311,583.00	140,516.32	171,066.68
305	Capital Improvement Fund (REET)	241,751.00	193,078.63	48,672.37
330	Economic Development Fund	1,155,584.00	765,650.71	389,933.29
340	Economic Development Reserve Fund	66.00	0.11	65.89
400	Water Fund			
	Water System Construction Fund	541,535.00	219,666.50	321,868.50
	Water Fund	1,558,345.00	1,019,055.28	539,289.72
	Water Capital Reserve Fund	128,786.00	32.93	128,753.07
	Water Capital Improvement Reserve Fund	1,517,137.00	662,064.49	619,569.51
	2007 Water/Sewer Bond Reserve Fund	116,164.00	24.79	116,139.21
	Subtotal 400 Water Funds	3,861,967.00	1,900,843.99	1,725,620.01
401	Wastewater Fund			
	Wastewater Fund	2,315,161.00	1,658,464.00	656,697.00
	Wastewater Capital Reserve Fund	662,866.00	308,341.55	354,524.45
	Wastewater Debt Service Fund	1,472,075.00	659,631.22	769,558.78
	Water & Sewer Revenue Bond Fund	110,942.00	107,197.00	3,745.00
	Subtotal 401 Wastewater Funds	4,561,044.00	2,733,633.77	1,784,525.23
405	Appointment Keeper Transport	367,139.00	230,515.41	136,623.59
500	Equipment Rental & Replacement	618,954.00	326,857.68	292,096.32
625	Flexible Benefits Plan Fund	30,057.00	11,137.62	18,919.38
635	Municipal Court Trust Account	239,389.00	194,514.19	44,874.81

The above chart has “rolled” (combined) related fund accounts to meet the reporting requirements of the Washington State Auditor’s Office. The administrative and legislative bodies receive reports that are not “rolled” and provide detailed financial information for each individual authorized fund account.

The mayor and city administrator are authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of College Place's legislative body.

D. Cash

It is the City of College Place's policy to invest all temporary cash surpluses. The amount is included in the 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.

The surpluses are invested in either of two ways: in the State's Local Government Investment Pool, or within the city's public deposit accounts with Banner Bank, in which case the interest on those investments is prorated to the various funds.

E. Deposits

The City of College Place's deposits are covered by the Federal Deposit Insurance Corporation and/or by the Washington Public Deposit Protection Commission.

F. Investments (See Investment Note #2)

G. Capital Assets

The City does not currently have a capitalization policy. The capital assets of the City of College Place are recorded as expenditures when purchased.

H. Compensated Absences

A vacation leave balance of up to two hundred hours may be carried forward each year in concurrence with the employee's anniversary date. Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work (provided twelve months of employment with the city have occurred.) As of December 31, 2012, City of College Place employees had an accumulated bank of 8,624 hours of vacation and comp time. As of December 31, 2012 this bank had a potential total payout of \$276,352 if all city employees had been terminated at that time. The City has estimated an additional \$21,141 in associated payroll taxes for a total potential liability of \$297,493.

Sick leave may accumulate indefinitely. Cash-out of up to 40 hours of sick leave per year is allowed, provided that a balance of at least 96 hours remains on the books. This cash-out must be initiated during November each year. Normally, upon separation employees do not receive payment for unused sick leave. An employee who is retiring with a minimum of ten years of service with the city may cash out a maximum of one hundred and twenty hours of their accrued sick leave. As of December 31, 2012 this bank had a potential total payout of \$53,515. The City has estimated an additional \$4,094 in associated payroll taxes for a total potential liability of \$57,609.

The foregoing is in accordance with city personnel policies. Compensated vacation and sick leave benefits may vary in accordance with approved negotiated union contract agreements.

I. Long-Term Debt (See Long-Term Debt Note #4)

J. Other Financing Sources or Uses

The City's "Other Financing Sources or Uses" consist of operating transfers-in and operating transfers-out.

K. Risk Management

The City of College Place is a member of the Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together

Into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or

joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of September 1, 2012, there are 240 members in the program.

The pool provides the following forms of joint self-insurance and excess coverage for its members: Property, including automobile comprehensive and collision, equipment breakdown and crime protection, and liability, including general, automobile and wrongful acts, is included to fit members' various needs.

The pool acquires liability insurance through their Administrator, Canfield, which is subject to a per-occurrence self-insured retention of \$100,000. Members are responsible for a \$1,000 deductible for each claim, while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the pool is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$100,000 of the self-insured retention. The pool also purchases a Stop Loss Policy with an attachment point of \$2,815,000 to cap the total claims paid by the pool in any one year.

Property insurance is subject to a per-occurrence self insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The pool bears the \$25,000 self insured retention in addition to the deductible.

Equipment breakdown insurance is subject to a per-occurrence deductible of \$2,500. Members are responsible for the deductible amount of each claim. There is no pool self insured retention on this coverage.

Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 terminating participation the following September 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. The program has no employees. Claims are filed by members with Canfield, which has been contracted to perform program administration, claims adjustment and administration, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ended August 31 2012, were \$1,099,472. The risk pool's financial statements can be viewed at <http://ciaw.us>.

L. Reserve Fund Balance

Fund	Fund Name	Balance	Restriction	Purpose
100	Street Fund	264,033.87	Internal	Maintaining public ways
110	Myra Road Fund	453,139.53	Internal	Improvements on Myra Road
111	Street Improvement Fund	55,678.25	Internal	Improvements of 12th St. and Larch Ave.
112	Technology Reserve Fund	70,734.26	Internal	Operation, maintenance, and replacement of technology equipment, information systems, and media services
115	Facility Maintenance Reserve Fund	100,098.92	Internal	Major repair and replacement of City Hall, Annex, and Fire Station buildings
120	Criminal Justice Fund	40,321.99	Internal	Activities/items specifically identified by state statute (domestic violence related and/or DARE program)
121	Forfeited Proceeds Fund	15,362.05	Internal	Drug enforcement and related activities
201	ULTGO Bond Fund	15,354.65	External	Debt service of the Fire Station Bond (Fire Station Construction)
202	South End Bond Fund	2,876.41	External	Debt service of the South End Bond (Lamperti and Meadowbrook infrastructure improvements)
235	Commercial Dr. Bond Debt Service Fund	171,119.90	External	Debt service of the Commercial Drive Bond (Commercial Drive infrastructure improvements)
305	Capital Improvement Fund (REET)	74,948.41	External	Capital projects identified on the City's Capital Facility Plan or Transportation Improvement Plan
330	Economic Development Fund	313,324.97	Internal	Capital projects tied to economic development and infrastructure development in commercial areas
340	Economic Development Reserve Fund	64.96	Internal	Infrastructure improvements that support/foster economic growth
400	Water System Construction Fund	86,357.09	Internal	Account for revenues and expenditures for water system capital improvements
400	Water Capital Reserve Fund	128,746.63	Internal	Purchase of equipment necessary to operate and maintain the water system
400	Water Capital Impr. Reserve/Debt Fund	453,473.69	Internal	Segregate money from water utility customer payments for water system capital improvements and related long term debt service
400	Water/Sewer Bond Reserve Fund	116,077.71	External	Reserve for debt service related to the financing of the water/sewer portion of the Whitman Drive Extension Project
401	Wastewater Capital Reserve Fund	294,155.51	Internal	Purchase of equip. necessary to operate and maintain the wastewater system
401	Wastewater Debt Service Fund	770,286.72	Internal	Debt service related to the financing of the Wastewater Treatment Plant
401	Water/Sewer Revenue Bond Fund	3,746.62	External	Debt service related to the financing of the water/sewer portion of the Whitman Drive Extension Project
625	Flexible Benefits Plan Fund	9,182.92	Internal	Fiduciary fund for employee contributions to the flexible benefit pretax spending plan
635	Municipal Court Trust Account	17,604.49	External	Agency fund for the revenues and expenditures related to the activities of the College Place Municipal Court
		3,456,689.55		

NOTE 2 - INVESTMENTS

The City of College Place's investments are insured, registered or held by the City of College Place or its agent in the City of College Place's name.

Investments are presented at fair market value by type at December 31, 2012 as follows:

Type of Investment	City's Own Investments	Investments held by the city as an agent for other local governments, individuals or private organizations.	Total
L.G.I.P.	\$ 4,285,395	\$ -	\$ 4,285,395

NOTE 3 - PROPERTY TAXES

The 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 of College Place. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied.

The City of College Place's regular levy for 2012 was \$2.177217 per \$1,000 on an assessed valuation of \$539,916,299 for a total regular levy of \$1,175,515.

In 2012 the city also levied an additional \$0.445014 per \$1,000, on an assessed valuation of \$528,899,299 for debt service on the Fire Station bond. The additional levy was \$235,368.

NOTE 4 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides a listing of the outstanding debt of the City of College Place and summarizes the City of College Place's debt transactions for 2012. The debt service requirements for general obligation and revenue bonds, including both principal and interest, are as follows:

	General Obligation Bonds	Revenue Debt	Total Debt
2012	\$ 446,976	\$ 1,363,785	\$ 1,810,761
2013	458,941	1,322,518	1,781,459
2014	214,544	1,313,075	1,527,619
2015	140,484	1,307,863	1,448,347
2016	140,484	1,302,433	1,442,917
2017-2021	702,419	5,151,299	5,853,718
2022-2026	420,477	2,457,803	2,878,280
2027-2028	-	511,134	511,134
Totals	\$ 2,524,325	\$ 14,729,910	\$ 17,254,235

NOTE 5 - PENSION PLANS

Substantially all city full-time and qualifying part-time employees participate in either the Public Employees' Retirement System (PERS 1, 2, or 3), the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF 1 or 2) or the Volunteer Fire Fighters' Relief and Pension Fund. The PERS and LEOFF retirement systems are 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 of College Place's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trends 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 6 - OTHER DISCLOSURES**A. Interlocal Agreements**

The following is a summary of interlocal agreements involving the City of College Place:

Participating Agency	Purpose
Emergency Management & Communication Advisory Board (EMCAB)	Enhanced 911 telephone and dispatching services
Green Tank Irrigation District Interim Intertie Agreement	Water Intertie agreement
State of Washington	Federal Personal Property Program - Surplus Property
United States Dept. of Interior; Fish & Wildlife Service	Forest service cooperative fire protection agreement
US Dept. of Agriculture	Forest service cooperative fire protection agreement
Walla Walla, City of	Computer Usage Authorization
Walla Walla, City of	Emergency Communication Services (Dispatch)
Walla Walla, City of	Myra Road Extension Agreement
Walla Walla, City of	Interim Service Agreement - Water @ 420 SE Myra Road
Walla Walla, City of	Authorize the City of College Place to operate public transportation service within the City of Walla Walla (AKTS)
Walla Walla, City of	Memorandum of Understanding - Law Enforcement Records Management
Walla Walla, City of	STP Funding Agreement
Walla Walla, City of	Service agreement for technical services for the CP Police.
Walla Walla County	Agreement for certification services
Walla Walla County	Interlocal agreement for use of Adult Custody Facility (Jail)
Walla Walla County	Agreement regarding building inspection services
Walla Walla County	Emergency Management Agreement

Walla Walla County	EMS Data Submission Agreement
Walla Walla County	Emergency Medical Service
Walla Walla County	Farm Labor Homes (Camp) Sanitary Sewer Services Agreement
Walla Walla County	Franchise Agreement to construct, operate and maintain utility services under county roads.
Walla Walla County	Interlocal agreement with Dept. of Court Services - Juvenile Detention Center
Walla Walla County	Air Pollution Control Agreement
Walla Walla County	Computer Services Agreement
Walla Walla County	Memorandum of Agreement; Walla Walla County Project IMPACT
Walla Walla County	Interlocal Cooperation Agreement
Walla Walla County	Memorandum of Agreement - Sandbagging Filling Operations.
Walla Walla County	Interlocal agreement - administration of \$10 surcharge on documents recorded in the county.
Walla Walla County	Public Transportation Benefit Area (Valley Transit) Permissive License Agreement
Walla Walla County	Access agreement; Technology services agreement; MapStorm
Washington State AOC	Agreement with Administrative Office of the Courts for JIS Services
Washington State Dept. of Enterprise Services	State Purchasing Coop Agreement
Washington State DOC	Memorandum of Agreement - Sandbagging Filling Operations.
Washington State DOE	Notice of final coverage under general permit - Wastewater
Washington State DOL	Driver & Plate Search (DAPS) Data Sharing Agreement
Washington State DOR	Business Licensing Services Agreement
Washington State Patrol	Interagency Agreement - Mobilization
Washington State Patrol & Washington State DOT	Electronic Collision Reports & Electronic Collision Records User's Agreement
Washington State DOT	Title VI Non-Discrimination Agreement
WESCOM (Walla Walla Emergency Services Communications Center)	Agreement for providing information.

B. Change in Presentation

The presentation of the City of College Place's funds in the attached Schedules and other note disclosures has been modified from previous years. Funds have been combined in a different manner resulting in a more accurate picture of the City's finances.

City of College Place

Schedule of Liabilities

For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	251.11	LTGO Bond - 08/2008 (1)	4/9/2023	1,275,704		82,289	1,193,415
	251.11	LTGO Bond - 09/1999	12/1/2014	135,000		65,000	70,000
	251.12	ULTGO Bond - 12/1998	12/1/2013	235,000		235,000	0
	259.11	Compensated Absences		244,957		14,553	230,404
Total General Obligations:				1,890,661		396,842	1,493,819
Revenue Obligations							
	252.11	Water/Sewer Revenue Bond - 08/2007 (2)	12/1/2022	835,000		70,000	765,000
	259.12	Compensated Absences		103,419	10,666		114,085
	263.82	PWTF PW-98-791-015 - 04/1998	7/1/2018	2,244,253		374,042	1,870,211
	263.82	DOE SRF L9900018A - 12/1998	2/1/2021	2,113,680		248,668	1,865,012
	263.82	DOE SRF L9900018B - 12/1998	2/1/2022	99,750		10,500	89,250
	263.82	PWTF PW05-691-010 - 04/2005	7/1/2025	2,195,508		168,885	2,026,623
	263.82	PWTF DWSRF 04-65104-005 - 03/2006	10/1/2025	1,138,794		87,599	1,051,194
	263.82	PWTF PC08-951-011 - 03/2008	7/1/2028	3,823,129	235,503	253,664	3,804,967
Total Revenue Obligations:				12,553,533	246,169	1,213,359	11,586,342
Total Liabilities:				14,444,194	246,169	1,610,202	13,080,161

The accompanying notes to the financial statements are an integral part of this schedule

City of College Place

Schedule of Liabilities

For the year ended December 31, 2012

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2012	Additions	Reductions	Ending Balance December 31, 2012
General Obligations							
	251.11	LTGO Bond - 08/2008 (1)	4/9/2023	1,352,777		77,072	1,275,704
	251.11	LTGO Bond - 09/1999	12/1/2014	195,000		60,000	135,000
	251.12	ULTGO Bond - 12/1998	12/1/2013	450,000		215,000	235,000
	259.11	Compensated Absences		203,168	41,789		244,957
Total General Obligations:				2,200,945	41,789	352,072	1,890,661
Revenue Obligations							
	252.11	Water/Sewer Revenue Bond - 08/2007 (2)	12/1/2022	900,000		65,000	835,000
	259.12	Compensated Absences		66,502	36,917		103,419
	263.82	PWTF PW-98-791-015 - 04/1998	7/1/2018	2,618,295		374,042	2,244,253
	263.82	DOE SRF L9900018A - 12/1998	2/1/2021	2,362,348		248,668	2,113,680
	263.82	DOE SRF L9900018B - 12/1998	2/1/2022	110,250		10,500	99,750
	263.82	PWTF PW05-691-010 - 04/2005	7/1/2025	2,364,393		168,885	2,195,508
	263.82	PWTF PW07-962-PRE-114 - 07/2007	7/1/2012	51,315		51,315	0
	263.82	PWTF DWSRF 04-65104-005 - 03/2006	10/1/2025	1,226,393		87,599	1,138,794
	263.82	PWTF PC08-951-011 - 03/2008	7/1/2028	4,062,075		238,946	3,823,129
Total Revenue Obligations:				13,761,571	36,917	1,244,955	12,553,533
Total Liabilities:				15,962,515	78,706	1,597,027	14,444,194

The accompanying notes to the financial statements are an integral part of this schedule

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov