



**Washington State Auditor's Office**

**Troy Kelley**

**Integrity • Respect • Independence**

## **Financial Statements Audit Report**

# **City of Colfax**

**Whitman County**

**For the period January 1, 2011 through December 31, 2013**

**Published April 27, 2015**

**Report No. 1014066**





**Washington State Auditor**  
**Troy Kelley**

April 27, 2015

Mayor and City Council  
City of Colfax  
Colfax, Washington

**Report on Financial Statements**

Please find attached our report on the City of Colfax'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 Colfax  
Whitman County  
January 1, 2011 through December 31, 2013**

Mayor and City Council  
City of Colfax  
Colfax, 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 Colfax, Whitman County, Washington, as of and for the years ended December 31, 2013, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated March 12, 2015.

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.

In addition, we noted certain matters that we have reported to the management of the City in a separate letter dated April 2, 2015.

## **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

March 12, 2015

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## **City of Colfax Whitman County January 1, 2011 through December 31, 2013**

Mayor and City Council  
City of Colfax  
Colfax, Washington

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the City of Colfax, Whitman County, Washington, for the years ended December 31, 2013, 2012 and 2011, 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 Colfax 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 Colfax, for the years ended December 31, 2013, 2012 and 2011, 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 Colfax, as of December 31, 2013, 2012 and

2011, 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 March 12, 2015 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

March 12, 2015

## FINANCIAL SECTION

**City of Colfax  
Whitman County  
January 1, 2011 through December 31, 2013**

### **FINANCIAL STATEMENTS**

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### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2013  
Schedule of Liabilities – 2012  
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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 General Fund	102 Park Fund	104 City ST Fund
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	1,888,793	-81,484	12,849	60,310
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	1,401,189	1,005,281	154,180	199,593
320	Licenses & Permits	47,956	47,956	0	0
330	Intergovernmental Revenues	260,052	63,831	0	138,554
340	Charges for Goods and Services	1,223,859	90	15,609	83
350	Fines & Penalties	26,614	26,614	0	0
360	Miscellaneous Revenues	16,311	7,106	687	6,202
<b>Total Operating Revenues:</b>		<b>2,975,981</b>	<b>1,150,879</b>	<b>170,477</b>	<b>344,431</b>
<b>Operating Expenditures</b>					
510	General Government	263,553	230,231	0	0
520	Public Safety	804,111	804,111	0	0
530	Utilities	966,322	0	0	0
540	Transportation	397,641	1,882	0	379,210
550	Natural and Economic Environment	0	0	0	0
560	Social Services	571	571	0	0
570	Culture And Recreation	159,033	24,558	131,366	0
598	Intergovernmental Payments	0	0	0	0
<b>Total Operating Expenditures:</b>		<b>2,591,232</b>	<b>1,061,354</b>	<b>131,366</b>	<b>379,210</b>
<b>Net Operating Increase (Decrease):</b>		<b>384,750</b>	<b>89,526</b>	<b>39,111</b>	<b>-34,779</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	94,433	72,303	0	424
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	233,950	0	0	0
<b>Total Nonoperating Revenues:</b>		<b>328,383</b>	<b>72,303</b>	<b>0</b>	<b>424</b>
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	74,768	37,858	0	0
591-593	Debt Service	88,653	0	0	0
594-595	Capital Expenditures	94,065	0	0	0
597	Transfers-Out	233,950	35,200	0	6,000
<b>Total Nonoperating Expenditures:</b>		<b>491,436</b>	<b>73,058</b>	<b>0</b>	<b>6,000</b>
<b>Increase (Decrease) in Cash and Investments</b>		<b>221,697</b>	<b>88,770</b>	<b>39,111</b>	<b>-40,355</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	2,110,490	7,287	51,960	19,954

The accompanying notes are an integral part of this Statement.

BARS Code		105 Flood Control Storm Drain Fund	210 Vactor Capital Lease Fund	302 Capital Outlay Fund	310 Arterial Street Improv Fund
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	81,059	32,101	343,549	11,665
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	0	0	20,699	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	57,667
340	Charges for Goods and Services	28,936	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	104	0	969	21
<b>Total Operating Revenues:</b>		<b>29,040</b>		<b>21,668</b>	<b>57,687</b>
<b>Operating Expenditures</b>					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	3,766	0	0	0
540	Transportation	16,549	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
<b>Total Operating Expenditures:</b>		<b>20,315</b>			
<b>Net Operating Increase (Decrease):</b>		<b>8,725</b>	<b>0</b>	<b>21,668</b>	<b>57,687</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	0	0	21,706	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	28,000	0
<b>Total Nonoperating Revenues:</b>				<b>49,706</b>	
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	0	0	0	36,910
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	59,682	32,443
597	Transfers-Out	0	0	0	0
<b>Total Nonoperating Expenditures:</b>				<b>59,682</b>	<b>69,353</b>
<b>Increase (Decrease) in Cash and Investments</b>		<b>8,725</b>	<b>0</b>	<b>11,692</b>	<b>-11,666</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	89,784	32,101	355,242	0

The accompanying notes are an integral part of this Statement.

BARS Code		401 Water Fund	402 Sewer Fund	403 Water-Sewer Cap-Outlay Fund	404 Bond Reserve & Redemp Fund
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	319,339	255,332	488,132	13,205
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
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	598,093	578,465	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	332	332	332	0
<b>Total Operating Revenues:</b>		<b>598,425</b>	<b>578,796</b>	<b>332</b>	
<b>Operating Expenditures</b>					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	445,625	480,864	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
<b>Total Operating Expenditures:</b>		<b>445,625</b>	<b>480,864</b>		
<b>Net Operating Increase (Decrease):</b>		<b>152,800</b>	<b>97,932</b>	<b>332</b>	<b>0</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	82,000	0
<b>Total Nonoperating Revenues:</b>				<b>82,000</b>	
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	1,940	0
597	Transfers-Out	106,250	86,500	0	0
<b>Total Nonoperating Expenditures:</b>		<b>106,250</b>	<b>86,500</b>	<b>1,940</b>	
<b>Increase (Decrease) in Cash and Investments</b>		<b>46,550</b>	<b>11,432</b>	<b>80,392</b>	<b>0</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	365,889	266,764	568,523	13,205

The accompanying notes are an integral part of this Statement.

BARS Code		405 Public Works Proj Redemtn Fund	411 Water Service Line Fund	421 Civic Improvement Fund	501 Unemployment Comp Fund
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	109,622	137,354	98,361	2,080
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	0	0	21,435	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	2,583	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	83	62	52	10
<b>Total Operating Revenues:</b>		<b>83</b>	<b>2,645</b>	<b>21,487</b>	<b>10</b>
<b>Operating Expenditures</b>					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	36,067	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	3,109	0
598	Intergovernmental Payments	0	0	0	0
<b>Total Operating Expenditures:</b>			<b>36,067</b>	<b>3,109</b>	
<b>Net Operating Increase (Decrease):</b>		<b>83</b>	<b>-33,422</b>	<b>18,378</b>	<b>10</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	86,750	0	0	0
<b>Total Nonoperating Revenues:</b>		<b>86,750</b>			
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	88,653	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	0	0	0
<b>Total Nonoperating Expenditures:</b>		<b>88,653</b>			
<b>Increase (Decrease) in Cash and Investments</b>		<b>-1,820</b>	<b>-33,422</b>	<b>18,378</b>	<b>10</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	107,802	103,932	116,738	2,090

The accompanying notes are an integral part of this Statement.

BARS Code		502 Information Technology Fund
<b>Beginning Cash and Investments</b>		
30810	Beg Fund Bal-Reserved	0
30880	Beg Fund Bal-Unreserved	5,321
38800/58800	Prior Period Adjustments, net	0
<b>Operating Revenues</b>		
310	Taxes	0
320	Licenses & Permits	0
330	Intergovernmental Revenues	0
340	Charges for Goods and Services	0
350	Fines & Penalties	0
360	Miscellaneous Revenues	21
Total Operating Revenues:		21
<b>Operating Expenditures</b>		
510	General Government	33,322
520	Public Safety	0
530	Utilities	0
540	Transportation	0
550	Natural and Economic Environment	0
560	Social Services	0
570	Culture And Recreation	0
598	Intergovernmental Payments	0
Total Operating Expenditures:		33,322
Net Operating Increase (Decrease):		-33,301
<b>Nonoperating Revenues</b>		
370, 380, 395, 398	Other Financing Sources	0
391-393	Debt Proceeds	0
397	Transfers-In	37,200
Total Nonoperating Revenues:		37,200
<b>Nonoperating Expenditures</b>		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	0
597	Transfers-Out	0
Total Nonoperating Expenditures:		0
Increase (Decrease) in Cash and Investments		3,899
<b>Ending Cash and Investments</b>		
50810	End Fund Bal-Reserved	0
50880	End Fund Balance-Unreserved	9,220

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 General Fund	102 Park Fund	104 City ST Fund
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	2,019,546	33,414	1,601	77,408
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	1,366,693	974,604	155,160	201,002
320	Licenses & Permits	22,528	22,528	0	0
330	Intergovernmental Revenues	198,430	69,895	0	57,321
340	Charges for Goods and Services	1,181,537	0	14,006	0
350	Fines & Penalties	32,513	32,513	0	0
360	Miscellaneous Revenues	12,594	9,770	126	140
<b>Total Operating Revenues:</b>		<b>2,814,295</b>	<b>1,109,310</b>	<b>169,292</b>	<b>258,463</b>
<b>Operating Expenditures</b>					
510	General Government	296,422	270,603	0	0
520	Public Safety	935,842	935,842	0	0
530	Utilities And Environment	894,325	0	0	0
540	Transportation	282,034	529	0	269,561
550	Economic Environment	0	0	0	0
560	Mental & Physical Health	880	880	0	0
570	Culture And Recreation	166,352	0	158,044	0
598	Intergovernmental Payments	0	0	0	0
<b>Total Operating Expenditures:</b>		<b>2,575,856</b>	<b>1,207,855</b>	<b>158,044</b>	<b>269,561</b>
<b>Net Operating Increase (Decrease):</b>		<b>238,440</b>	<b>-98,545</b>	<b>11,248</b>	<b>-11,098</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	41,972	41,972	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	255,800	0	0	0
<b>Total Nonoperating Revenues:</b>		<b>297,772</b>	<b>41,972</b>		
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	41,826	41,826	0	0
591-593	Debt Service	89,456	0	0	0
594-595	Capital Expenditures	293,087	0	0	0
597	Transfers-Out	255,800	16,500	0	6,000
<b>Total Nonoperating Expenditures:</b>		<b>680,169</b>	<b>58,326</b>		<b>6,000</b>
<b>Increase (Decrease) in Cash and Investments</b>		<b>-143,957</b>	<b>-114,898</b>	<b>11,248</b>	<b>-17,098</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	1,875,588	-81,484	12,849	60,310

The accompanying notes are an integral part of this Statement.

BARS Code		105 Flood Control Storm Drain Fund	210 Vactor Capital Lease Fund	302 Capital Outlay Fund	310 Arterial Street Improv Fund
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	67,298	32,101	347,843	46,408
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	0	0	14,121	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	71,215
340	Charges for Goods and Services	28,813	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	71	0	586	0
<b>Total Operating Revenues:</b>		<b>28,884</b>		<b>14,707</b>	<b>71,215</b>
<b>Operating Expenditures</b>					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities And Environment	8,180	0	0	0
540	Transportation	11,944	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
<b>Total Operating Expenditures:</b>		<b>20,123</b>			
<b>Net Operating Increase (Decrease):</b>		<b>8,761</b>	<b>0</b>	<b>14,707</b>	<b>71,215</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	5,000	0	16,500	0
<b>Total Nonoperating Revenues:</b>		<b>5,000</b>		<b>16,500</b>	
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	35,501	105,958
597	Transfers-Out	0	0	0	0
<b>Total Nonoperating Expenditures:</b>				<b>35,501</b>	<b>105,958</b>
<b>Increase (Decrease) in Cash and Investments</b>		<b>13,761</b>	<b>0</b>	<b>-4,294</b>	<b>-34,743</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	81,059	32,101	343,549	11,665

The accompanying notes are an integral part of this Statement.

BARS Code		401 Water Fund	402 Sewer Fund	403 Water-Sewer Cap-Outlay Fund	405 Public Works Proj Redemtn Fund
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	296,731	234,698	543,395	68,020
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
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	571,240	564,303	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	383	387	665	58
<b>Total Operating Revenues:</b>		<b>571,623</b>	<b>564,690</b>	<b>665</b>	<b>58</b>
<b>Operating Expenditures</b>					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities And Environment	413,315	446,456	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
<b>Total Operating Expenditures:</b>		<b>413,315</b>	<b>446,456</b>		
<b>Net Operating Increase (Decrease):</b>		<b>158,308</b>	<b>118,234</b>	<b>665</b>	<b>58</b>
<b>Nonoperating Revenues</b>					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	95,700	131,000
<b>Total Nonoperating Revenues:</b>				<b>95,700</b>	<b>131,000</b>
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	89,456
594-595	Capital Expenditures	0	0	151,628	0
597	Transfers-Out	135,700	97,600	0	0
<b>Total Nonoperating Expenditures:</b>		<b>135,700</b>	<b>97,600</b>	<b>151,628</b>	<b>89,456</b>
<b>Increase (Decrease) in Cash and Investments</b>		<b>22,608</b>	<b>20,634</b>	<b>-55,263</b>	<b>41,602</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	319,339	255,332	488,132	109,622

The accompanying notes are an integral part of this Statement.

BARS Code		411 Water Service Line Fund	421 Civic Improvement Fund	501 Unemployment Comp Fund	502 Information Technology Fund
<b>Beginning Cash and Investments</b>					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	160,504	84,532	2,059	23,536
38800/58800	Prior Period Adjustments, net	0	0	0	0
<b>Operating Revenues</b>					
310	Taxes	0	21,806	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	3,175	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	50	331	21	5
<b>Total Operating Revenues:</b>		<b>3,225</b>	<b>22,137</b>	<b>21</b>	<b>5</b>
<b>Operating Expenditures</b>					
510	General Government	0	0	0	25,819
520	Public Safety	0	0	0	0
530	Utilities And Environment	26,375	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	8,308	0	0
598	Intergovernmental Payments	0	0	0	0
<b>Total Operating Expenditures:</b>		<b>26,375</b>	<b>8,308</b>		<b>25,819</b>
<b>Net Operating Increase (Decrease):</b>		<b>-23,150</b>	<b>13,829</b>	<b>21</b>	<b>-25,814</b>
<b>Nonoperating Revenues</b>					
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	7,600
<b>Total Nonoperating Revenues:</b>					<b>7,600</b>
<b>Nonoperating Expenditures</b>					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	0	0	0
<b>Total Nonoperating Expenditures:</b>					
<b>Increase (Decrease) in Cash and Investments</b>		<b>-23,150</b>	<b>13,829</b>	<b>21</b>	<b>-18,214</b>
<b>Ending Cash and Investments</b>					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	137,354	98,361	2,080	5,321

The accompanying notes are an integral part of this Statement.

City of Colfax

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		Total for	001	102
		All Funds 1/	General Fund	Park Fund
		Total Amount	Actual Amount	Actual Amount
<b>Beginning Cash and Investments</b>				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$2,031,373.11	\$59,761.74	\$6.76
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
<b>Revenues and Other Sources</b>				
310	Taxes	\$1,327,672.20	\$957,962.88	\$139,571.68
320	Licenses and Permits	\$17,822.24	\$17,822.24	\$0.00
330	Intergovernmental	\$913,820.72	\$79,125.15	\$0.00
340	Charges for Goods and Services	\$1,140,776.98	\$15.00	\$13,138.14
350	Fines and Penalties	\$27,653.62	\$27,653.62	\$0.00
360	Miscellaneous	\$15,639.18	\$9,936.21	\$681.95
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$253,800.00	\$0.00	\$0.00
<b>Total Revenues and Other Financing Sources</b>		\$3,697,184.94	\$1,092,515.10	\$153,391.77
<b>Total Resources</b>		\$5,728,558.05	\$1,152,276.84	\$153,398.53
Operating Expenditures:				
510	General Government	\$248,599.92	\$220,541.39	\$0.00
520	Public Safety	\$848,583.65	\$848,355.86	\$0.00
530	Physical Environment	\$881,191.70	\$0.00	\$0.00
540	Transportation	\$272,531.92	\$906.03	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$539.36	\$539.36	\$0.00
570	Culture and Recreational	\$167,850.42	\$8,737.00	\$151,797.48
<b>Total Operating Expenditures</b>		\$2,419,296.97	\$1,079,079.64	\$151,797.48
591-593	Debt Service	\$14,920.38	\$0.00	\$0.00
594-595	Capital Outlay	\$706,124.35	\$0.00	\$0.00
<b>Total Expenditures</b>		\$3,140,341.70	\$1,079,079.64	\$151,797.48
596-599	Other Financing Uses	\$253,800.00	\$38,000.00	\$0.00
<b>Total Expenditures and Other Financing Uses</b>		\$3,394,141.70	\$1,117,079.64	\$151,797.48
<b>Excess (Deficit) of Resources Over Uses</b>		\$2,334,416.35	\$35,197.20	\$1,601.05
380	Nonrevenues (Except 384)	\$3,241,866.30	\$34,492.29	\$0.00
580	Nonexpenditures (Except 584)	\$3,425,071.59	\$36,509.75	\$0.00
<b>Ending Cash and Investments:</b>				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$2,151,211.06	\$33,179.74	\$1,601.05

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of Colfax

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		104	105	201
		City ST Fund	Flood Control Storm Drain Fund	Main Street Bond Fund
		Actual Amount	Actual Amount	Actual Amount
<b>Beginning Cash and Investments</b>				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$86,221.91	\$59,565.01	\$0.00
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
<b>Revenues and Other Sources</b>				
310	Taxes	\$196,012.28	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$59,215.31	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$26,958.41	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$354.14	\$135.45	\$0.00
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$0.00	\$0.00	\$0.00
<b>Total Revenues and Other Financing Sources</b>		\$255,581.73	\$27,093.86	\$0.00
<b>Total Resources</b>		\$341,803.64	\$86,658.87	\$0.00
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Physical Environment	\$0.00	\$7,131.12	\$0.00
540	Transportation	\$259,395.93	\$12,229.96	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
<b>Total Operating Expenditures</b>		\$259,395.93	\$19,361.08	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Outlay	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		\$259,395.93	\$19,361.08	\$0.00
596-599	Other Financing Uses	\$5,000.00	\$0.00	\$0.00
<b>Total Expenditures and Other Financing Uses</b>		\$264,395.93	\$19,361.08	\$0.00
<b>Excess (Deficit) of Resources Over Uses</b>		\$77,407.71	\$67,297.79	\$0.00
380	Nonrevenues (Except 384)	\$0.00	\$0.00	\$0.00
580	Nonexpenditures (Except 584)	\$0.00	\$0.00	\$0.00
<b>Ending Cash and Investments:</b>				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$77,407.71	\$67,297.79	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of Colfax

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		210	301	302
		Vactor Capital Lease Fund	Main Street Construction	Capital Outlay Fund
		Actual Amount	Actual Amount	Actual Amount
<b>Beginning Cash and Investments</b>				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$32,032.75	\$0.00	\$148,370.83
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
<b>Revenues and Other Sources</b>				
310	Taxes	\$0.00	\$0.00	\$13,921.82
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$0.00	\$0.00	\$187,701.92
340	Charges for Goods and Services	\$0.00	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$67.86	\$0.00	\$462.71
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$0.00	\$0.00	\$27,000.00
<b>Total Revenues and Other Financing Sources</b>		\$67.86	\$0.00	\$229,086.45
<b>Total Resources</b>		\$32,100.61	\$0.00	\$377,457.28
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$227.79
530	Physical Environment	\$0.00	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
<b>Total Operating Expenditures</b>		\$0.00	\$0.00	\$227.79
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Outlay	\$0.00	\$0.00	\$29,386.65
<b>Total Expenditures</b>		\$0.00	\$0.00	\$29,614.44
596-599	Other Financing Uses	\$0.00	\$0.00	\$0.00
<b>Total Expenditures and Other Financing Uses</b>		\$0.00	\$0.00	\$29,614.44
<b>Excess (Deficit) of Resources Over Uses</b>		\$32,100.61	\$0.00	\$347,842.84
380	Nonrevenues (Except 384)	\$0.00	\$0.00	\$0.00
580	Nonexpenditures (Except 584)	\$0.00	\$0.00	\$0.00
<b>Ending Cash and Investments:</b>				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$32,100.61	\$0.00	\$347,842.84

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of Colfax

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		310	401	402
		Arterial Street Improv Fund	Water Fund	Sewer Fund
		Actual Amount	Actual Amount	Actual Amount
<b>Beginning Cash and Investments</b>				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$116,462.85	\$289,764.26	\$204,978.82
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
<b>Revenues and Other Sources</b>				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$587,778.34	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$538,066.99	\$557,061.52
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$163.99	\$1,603.97	\$584.88
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$0.00	\$0.00	\$0.00
<b>Total Revenues and Other Financing Sources</b>		\$587,942.33	\$539,670.96	\$557,646.40
<b>Total Resources</b>		\$704,405.18	\$829,435.22	\$762,625.22
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Physical Environment	\$0.00	\$423,304.00	\$426,527.43
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
<b>Total Operating Expenditures</b>		\$0.00	\$423,304.00	\$426,527.43
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Outlay	\$657,997.24	\$0.00	\$0.00
<b>Total Expenditures</b>		\$657,997.24	\$423,304.00	\$426,527.43
596-599	Other Financing Uses	\$0.00	\$109,400.00	\$101,400.00
<b>Total Expenditures and Other Financing Uses</b>		\$657,997.24	\$532,704.00	\$527,927.43
<b>Excess (Deficit) of Resources Over Uses</b>		\$46,407.94	\$296,731.22	\$234,697.79
380	Nonrevenues (Except 384)	\$0.00	\$0.00	\$0.00
580	Nonexpenditures (Except 584)	\$0.00	\$0.00	\$0.00
<b>Ending Cash and Investments:</b>				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$46,407.94	\$296,731.22	\$234,697.79

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of Colfax

**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2011

BARS CODE		403	404	405
		Water-Sewer Cap- Outlay Fund	Bond Reserve & Redemp Fund	Public Works Proj Redemtn Fund
		Actual Amount	Actual Amount	Actual Amount
<b>Beginning Cash and Investments</b>				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$489,127.41	\$13,166.16	\$62,012.50
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
<b>Revenues and Other Sources</b>				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$0.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$1,007.89	\$39.03	\$40.11
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$72,000.00	\$0.00	\$130,000.00
<b>Total Revenues and Other Financing Sources</b>		\$73,007.89	\$39.03	\$130,040.11
<b>Total Resources</b>		\$562,135.30	\$13,205.19	\$192,052.61
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Physical Environment	\$0.00	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
<b>Total Operating Expenditures</b>		\$0.00	\$0.00	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$14,920.38
594-595	Capital Outlay	\$18,740.46	\$0.00	\$0.00
<b>Total Expenditures</b>		\$18,740.46	\$0.00	\$14,920.38
596-599	Other Financing Uses	\$0.00	\$0.00	\$0.00
<b>Total Expenditures and Other Financing Uses</b>		\$18,740.46	\$0.00	\$14,920.38
<b>Excess (Deficit) of Resources Over Uses</b>		\$543,394.84	\$13,205.19	\$177,132.23
380	Nonrevenues (Except 384)	\$0.00	\$0.00	\$0.00
580	Nonexpenditures (Except 584)	\$0.00	\$0.00	\$109,112.42
<b>Ending Cash and Investments:</b>				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$543,394.84	\$13,205.19	\$68,019.81

1/ This column summarizes ALL reported funds, not just funds listed on this page  
 The Accompanying Notes Are An Integral Part Of This Statement.

City of Colfax

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		411	421	501
		Water Service Line Fund	Civic Improvement	Unemployment Comp Fund
		Actual Amount	Actual Amount	Actual Amount
<b>Beginning Cash and Investments</b>				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$178,835.62	\$71,477.87	\$3,161.59
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
<b>Revenues and Other Sources</b>				
310	Taxes	\$0.00	\$20,203.54	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$0.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$5,536.92	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$360.84	\$166.14	\$4.47
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$0.00	\$0.00	\$0.00
<b>Total Revenues and Other Financing Sources</b>		\$5,897.76	\$20,369.68	\$4.47
<b>Total Resources</b>		\$184,733.38	\$91,847.55	\$3,166.06
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$1,107.48
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Physical Environment	\$24,229.15	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$7,315.94	\$0.00
<b>Total Operating Expenditures</b>		\$24,229.15	\$7,315.94	\$1,107.48
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Outlay	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		\$24,229.15	\$7,315.94	\$1,107.48
596-599	Other Financing Uses	\$0.00	\$0.00	\$0.00
<b>Total Expenditures and Other Financing Uses</b>		\$24,229.15	\$7,315.94	\$1,107.48
<b>Excess (Deficit) of Resources Over Uses</b>		\$160,504.23	\$84,531.61	\$2,058.58
380	Nonrevenues (Except 384)	\$0.00	\$0.00	\$0.00
580	Nonexpenditures (Except 584)	\$0.00	\$0.00	\$0.00
<b>Ending Cash and Investments:</b>				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$160,504.23	\$84,531.61	\$2,058.58

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of Colfax

**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2011

BARS CODE		502	631	632
		Information Technology Fund	Payroll Fund	Claims Fund
		Actual Amount	Actual Amount	Actual Amount
<b>Beginning Cash and Investments</b>				
308.10	Reserved	\$0.00	\$0.00	\$0.00
308.80	Unreserved	\$25,657.25	\$110,786.60	\$79,983.18
388.80 or 588.80	Prior Period Adjustments	\$0.00	\$0.00	\$0.00
<b>Revenues and Other Sources</b>				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental	\$0.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous	\$29.54	\$0.00	\$0.00
370	Capital Contributions	\$0.00	\$0.00	\$0.00
390	Other Financing Sources	\$24,800.00	\$0.00	\$0.00
<b>Total Revenues and Other Financing Sources</b>		\$24,829.54	\$0.00	\$0.00
<b>Total Resources</b>		\$50,486.79	\$110,786.60	\$79,983.18
Operating Expenditures:				
510	General Government	\$26,951.05	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Physical Environment	\$0.00	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Mental and Physical Health	\$0.00	\$0.00	\$0.00
570	Culture and Recreational	\$0.00	\$0.00	\$0.00
<b>Total Operating Expenditures</b>		\$26,951.05	\$0.00	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Outlay	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		\$26,951.05	\$0.00	\$0.00
596-599	Other Financing Uses	\$0.00	\$0.00	\$0.00
<b>Total Expenditures and Other Financing Uses</b>		\$26,951.05	\$0.00	\$0.00
<b>Excess (Deficit) of Resources Over Uses</b>		\$23,535.74	\$110,786.60	\$79,983.18
380	Nonrevenues (Except 384)	\$0.00	\$1,012,249.15	\$2,195,124.86
580	Nonexpenditures (Except 584)	\$0.00	\$1,021,004.84	\$2,258,444.58
<b>Ending Cash and Investments:</b>				
508.10	Reserved	\$0.00	\$0.00	\$0.00
508.80	Unreserved	\$23,535.74	\$102,030.91	\$16,663.46

1/ This column summarizes ALL reported funds, not just funds listed on this page  
 The Accompanying Notes Are An Integral Part Of This Statement.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Colfax reports financial activity using the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) manual (Category 2). 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 the Washington State law, chapter 43.09 RCW.

The City of Colfax was incorporated in 1873 and operates under the laws of the State of Washington applicable to a second class city with a mayor-council form of government. The City is a general purpose government and provides water and sewer utility services, street maintenance, public safety with police, fire and building inspection services, parks for quality of life and general administrative services. The City uses single-entry, cash basis accounting, which is a departure from generally accepted accounting principles (GAAP).

### **A. Fund Accounting**

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

#### **GOVERNMENTAL FUND TYPES:**

##### **General Fund (Current Expense)**

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

##### **Special Revenue Funds**

These funds account for revenues that are legally restricted or committed to finance particular activities of the City. These revenues are derived from specific taxes, grants, or other sources. Special Revenue Funds of the City include the Park Fund, Flood Control/Storm Drain Fund, Capital Improvement Fund and City Street Fund.

##### **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. City Debt Service Funds consist of the Public Works Project Redemption Fund.

##### **Capital Projects Funds**

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

Capital Project Funds of the City include the Capital Outlay Fund and the Water/Sewer Capital Outlay Fund.

**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 on a cost-reimbursement basis.

**Agency Funds:**

These funds are used to account assets that the City 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(s) budget appropriations as required by state law.

In Accordance with state law the City of Colfax 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 principals generally accepted in the United States of America.

**C. Budgets**

Annual appropriated budgets are adopted for all funds. The financial statements include budgetary comparisons for those funds.

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

The Appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$ 1,158,287	\$ 1,134,411.49	\$ (23,875.51)
Park Fund	\$ 159,325.00	\$ 131,365.84	\$ (27,959.16)
Street Fund	\$ 389,400.00	\$ 385,209.98	\$ (4,190.02)
Storm/Flood Fund	\$ 57,144.00	\$ 20,314.94	\$ (36,829.06)
Vactor Capital Fund	\$ -	\$ -	\$ -
Capital Fund	\$ 60,000.00	\$ 59,681.69	\$ (318.31)
Arterial Street Fund	\$ 70,000.00	\$ 69,352.76	\$ (647.24)
Water Fund	\$ 554,875.02	\$ 551,875.02	\$ (2,216.98)
Sewer Fund	\$ 570,634.00	\$ 567,364.08	\$ (3,269.92)
Wa/Sw Capital Fund	\$ 2,000.00	\$ 1,940.40	\$ (59.60)
Bond Reserve Fund	\$ -	\$ -	\$ -
PWPR Fund	\$ 92,800.00	\$ 88,652.99	\$ (4,147.01)
Water Svc Line	\$ 52,532.00	\$ 36,067.31	\$ (16,464.69)
Civic Imp Fund	\$ 10,000.00	\$ 3,108.92	\$ (6,891.08)
Unemployment Fund	\$ 500.00	\$ 0.00	\$ (500.00)
Information Tech Fund	\$ 38,404.00	\$ 33,321.84	\$ (5,082.16)
	\$ 3,215,418.00	\$ 3,082,667.26	(132,750.74)

The City Treasurer is authorized to transfer budget amounts between departments with in any fund.; 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 of Colfax’s legislative body.

**D. Cash**

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

At December 31, 2012, the city cash holdings consisted of cash in the city checking accounts for outstanding claims, and payroll.

Checking Account:	Outstanding Claims	36,327.62
	Outstanding Payroll	91,966.31
	General Fund	120,238.42
	Total Checking Account	<u>\$248,532.35</u>
	Petty Cash/Change Funds	550.00
	<b>TOTAL CASH</b>	<b>249,082.35</b>

**E. Deposits**

City of Colfax deposits at year-end were entirely covered by the Federal Depository Insurance Corporation (FDIC) and the Washington State Public Deposit Protection Commission.

**F. Investments**

See note 3-Investments

**H. Capital Assets**

Capital assets are long lived assets of the City of Colfax and are recorded as expenditures when purchased.

**I. Compensated Absences**

Vacation leave may be accumulated up to 240 hours (as of June 30) for all employees except the Fire Department. Fire Department employees can accumulate up to 360 hours. Vacation hours are payable upon separation or retirement.

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

**J. Long Term Debt**

See Note 6 - Long Term Debt

**K. Other Financing sources or uses**

The City's other financing sources or uses consist of transfers In and Out to generate revenue in Capital and Debt Funds.

## **L. Risk Management**

The City maintains insurance against most normal hazards except for unemployment insurance. The Unemployment Compensation Fund is responsible for collecting inter-fund transfers from the city funds and departments, if needed, for paying claim settlements. At December 31, 2013, the Unemployment Compensation Fund had \$2,089.94 available for unemployment claims.

The City of Colfax is a member of the Cities Insurance Association of Washington as of January 1, 1990. 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 Inter-local Cooperation Act. The pool was formed on September 1, 1988, when 34 cities in the State of Washington joined together by signing an: Inter-local Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of September 4, 2013, the CIAW has 236 members in the pool..

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 insurance pool acquires liability insurance through their Administrator, Canfield, that is subject to a per-occurrence self-insured retention of \$100,000. Members are responsible for the first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$99,000. 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 self-insured retention. The program also purchases a Stop Loss Policy with a limit 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 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. (\$10,000 for Pumps and 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 pool for a minimum of one year, and must give notice before August 31, before terminating participation the following September 1. The Inter-local Governmental 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 signatory to the Inter-local Governmental Agreement.

A board of ten members 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 pool. The program has no employees, but has contracted with a third-party administrator, Canfield, 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 \$1,423,059.12. Copies of the pool's annual report may be obtained by writing to 451 Diamond Drive, Ephrata, WA 98823.

## **NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

There have been no material violations of finance-related legal or contractual provisions. There have been no expenditures exceeding legal appropriations in any of the funds of the City of Colfax.

## **NOTE 3 - INVESTMENTS**

The City investments are either insured, registered or held by the city or its agent in the Cities name.

Investments by type at December 31, 2013 are as follows:

Savings – Columbia Bank	948,753.24
State of Washington Investment Pool	1,047,095.19
<b>TOTAL INVESTMENTS</b>	<b><u>\$1,995,848.43</u></b>

## **NOTE 4 - 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 Colfax. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied.

The regular levy for the City of Colfax for 2012 was \$2.65626400 per \$1,000 on an assessed valuation of \$143,914,411 for a total levy of \$388,792.45 In addition the city levied \$.7096 per thousand on an assessed valuation of \$105,688,817 to generate \$75,000 for a Park Levy approved by voters November 6, 2001. The Levy was payable in 2002. \$.73 cents was still outstanding as of Dec 31, 2010. The Whitman County Treasurer wrote it off as of January 1, 2011.

## NOTE 5 - INTERFUND ACTIVITY

There was an interfund loan repayment from the Arterial Street Fund to the General Fund of \$36,909.62 from payments received from the Transportation Improvement Board..

## NOTE 6 - LONG-TERM DEBT

The accompanying Schedule of Long-Term Debt provides a listing of the outstanding debt of the City and summarizes the city's debt transactions for 2013. The annual requirements to amortize outstanding debt, including interest and capital lease payments, are as follows:

Year	Dept of Ecology	PWTF Improvements	Total Debt
2013	46,810	41,843	88,653
2014	46,810	23,227	70,037
2015	46,810	22,513	69,323
2016	46,810	21,799	68,609
2017	46,810	21,085	67,895
2018-22	234,051	29,611	263,662
2023-27	70,215	11,642	81,857
<b>TOTAL</b>	<b>538,316</b>	<b>171,720</b>	<b>710,036</b>

## NOTE 7 - PENSION PLANS

Substantially all city full-time and qualifying part-time employees participate in Public Employees' Retirement System (PERS) or Law Enforcement Officers and Fire Fighters (LEOFF), administered by the department of Retirement Systems, under cost-sharing multiple-employer public employee retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the City of Colfax financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits. The City of Colfax also makes payments to the Volunteer Firemen Relief and Pension Fund.

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

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

## NOTE 8 - OTHER DISCLOSURES

The City of Colfax has implemented Vision Municipal Solutions Cash Management System and has experienced errors in posting Water and Sewer receipts to Financials.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Colfax uses the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) manual (Category 2). The manual is prescribed by the State Auditor's Office under the authority of the Washington State law, chapter 43.09 RCW. The City of Colfax was incorporated in 1873 and operates under the laws of the State of Washington applicable to a second class city with a mayor-council form of government. The City is a general purpose government and provides water and sewer utility services, street maintenance, public safety with police, fire and building inspection services, parks for quality of life and general administrative services. The City uses single-entry, cash basis accounting, which is a departure from generally accepted accounting principles (GAAP).

### **A. Fund Accounting**

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

#### **GOVERNMENTAL FUND TYPES:**

##### **General Fund (Current Expense)**

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

##### **Special Revenue Funds**

These funds account for revenues that are legally restricted or designated to finance particular activities of the City. These revenues are derived from specific taxes, grants, or other sources. Special Revenue Funds of the City include the Park Fund, Flood Control/Storm Drain Fund, Capital Improvement Fund and City Street Fund.

##### **Debt Service Funds**

These funds account for the accumulation of resources to pay principal, interest and related costs on general long-term debt. City Debt Service Funds consist of the Public Works Project Redemption Fund.

##### **Capital Projects Funds**

These funds account for the financial resources which are designated for the acquisition and construction of general government capital improvements. Capital Project Funds of the City include the Capital Outlay Fund and the Water/Sewer Capital Outlay Fund.

**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 on a cost-reimbursement basis.

**Agency Funds:**

These funds are used to account assets that the City 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(s) budget appropriations as required by state law.

In Accordance with state law the City of Colfax 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 principals generally accepted in the United States of America.

**C. Budgets**

Annual appropriated budgets are adopted for all funds. The financial statements include budgetary comparisons for those funds.

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

The Appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$ 1,230,369.00	\$ 1,266,180.51	\$ 35,811.51
Park Fund	\$ 159,325.00	\$ 158,044.35	\$ (1,280.65)
Street Fund	\$ 275,738.00	\$ 275,560.97	\$ (177.03)
Storm/Flood Fund	\$ 62,300	\$ 20,123.23	\$ (42,176.77)
Vactor Capital Fund	\$ -	\$ -	\$ -
Capital Fund	\$ 45,000.00	\$ 35,501.36	\$ (9,498.64)
Arterial Street Fund	\$ 145,550.00	\$ 105,957.57	\$ (39,592.43)
Water Fund	\$ 552,497.00	\$ 549,014.62	\$ (3,482.38)
Sewer Fund	\$ 544,262.00	\$ 544,055.66	\$ (206.34)
Wa/Sw Capital Fund	\$ 154,500.00	\$ 151,628.19	\$ (2,871.81)
Bond Reserve Fund	\$ -	\$ -	\$ -
PWPR Fund	\$ 127,000.00	\$ 89,456.21	\$ (37,543.79)
Water Svc Line	\$ 52,532.00	\$ 26,375.27	\$ (26,156.73)
Civic Imp Fund	\$ 10,000.00	\$ 8,307.64	\$ (1,692.36)
Unemployment Fund	\$ 500.00	\$ 0.00	\$ (500.00)
Information Tech Fund	\$ 38,404.00	\$ 25,819.29	\$ (12,584.71)
	\$ 3,397,977.00	\$ 3,256,024.87	(141,952.13)

The City Treasurer is authorized to transfer budget amounts between departments with in any fund.; 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 of Colfax’s legislative body.

**D. Cash**

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

At December 31, 2012, the city cash holdings consisted of cash in the city checking accounts for outstanding claims, and payroll.

Checking Account:	Outstanding Claims	11,702.92
	Outstanding Payroll	130,524.54
	General Fund	<u>21,559.29</u>
	Total Checking Account	\$163,786.75
	Petty Cash/Change Funds	550.00
	<b>TOTAL CASH</b>	<b>\$164,336.75</b>

There were uncleared checks totaling \$673.63 at year end bringing the actual Total Cash to \$165,010.38. See Schedule 11.

**E. Deposits**

City of Colfax deposits at year-end were entirely covered by the Federal Depository Insurance Corporation (FDIC) and the Washington State Public Deposit Protection Commission.

**F. Investments**

See note 3-Investments

**H. Capital Assets**

Capital assets are long lived assets of the City of Colfax and are recorded as expenditures when purchased.

**I. Compensated Absences**

Vacation leave may be accumulated up to 240 hours (as of June 30) for all employees except the Fire Department. Fire Department employees can accumulate up to 360 hours. Vacation hours are payable upon separation or retirement.

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

**J. Long Term Debt**

See Note 6 - Long Term Debt

**K. Other Financing sources or uses**

The City's other financing sources or uses consist of transfers In and Out to generate revenue in Capital and Debt Funds.

**L. Risk Management**

The City maintains insurance against most normal hazards except for unemployment insurance. The Unemployment Compensation Fund is responsible for collecting inter-fund transfers from the city funds and departments, if needed, for paying claim settlements. At December 31, 2012, the Unemployment Compensation Fund had \$2,054.11 available for unemployment claims.

The City of Colfax is a member of the Cities Insurance Association of Washington as of January 1, 1990. 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 Inter-local Cooperation Act. The pool was formed on September 1, 1988, when 34 cities in the State of Washington joined together by signing an: Inter-local Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Currently, the CIAW has 254 members in the pool..

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 insurance pool acquires liability insurance through their Administrator, Canfield, that is subject to a per-occurrence self-insured retention of \$100,000. Members are responsible for the first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$99,000. Insurance carriers cover insured losses over \$100,000 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 \$99,000 portion of the deductible. The pool, however, purchases a Stop Loss Policy with a limit of \$2,545,000 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, before terminating participation the following September 1. The Inter-local Governmental 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 signatory to the Inter-local Governmental Agreement.

The pool is fully funded by its member participants. Claims are filed by members with Canfield & Associates, Inc. which has been contracted to perform pool administration, claims adjustments and administration and loss prevention for the pool. Fees paid to the third party administrator under this arrangement for the year ended August 31, 2008 and 2009 were \$1,242,382 and \$1,321,289 respectively.

A governing board of ten members 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 pool. The pool has no employees, but has contracted with a third-party administrator, Canfield, to perform the daily administration of the pool, including underwriting, brokerage, account education, risk management and claims administration. Copies of the pool's annual report may be obtained by writing to 451 Diamond Drive, Ephrata, WA 98823.

**NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

There have been no material violations of finance-related legal or contractual provisions. There have been no expenditures exceeding legal appropriations in any of the funds of the City of Colfax.

**NOTE 3 - INVESTMENTS**

The City investments are either insured, registered or held by the city or its agent in the Cities name.

Investments by type at December 31, 2012 are as follows:

Savings – Columbia Bank	821,904.81
State of Washington Investment Pool	1,045,452.73
<b>TOTAL INVESTMENTS</b>	<u>\$1,867,357.54</u>

**NOTE 4 - 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 Colfax. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied.

The regular levy for the City of Colfax for 2012 was \$2.65626400 per \$1,000 on an assessed valuation of \$143,914,411 for a total levy of \$388,792.45. In addition the city levied \$.7096 per thousand on an assessed valuation of \$105,688,817 to generate \$75,000 for a Park Levy approved by voters November 6, 2001. The Levy was payable in 2002. \$.73 cents was still outstanding as of Dec 31, 2010. The Whitman County Treasurer wrote it off as of January 1, 2011.

**NOTE 5 - INTERFUND ACTIVITY**

There was not any inter fund loan activity done in 2012.

**NOTE 6 - LONG-TERM DEBT**

The accompanying Schedule of Long-Term Debt provides a listing of the outstanding debt of the City and summarizes the city’s debt transactions for 2011. The annual requirements to amortize outstanding debt, including interest and capital lease payments, are as follows:

Year	Dept Of Ecology	PWTF Improvements	Total Debt
2012	46,810	42,646	89,456
2013	46,810	41,843	88,653
2014	46,810	23,227	70,037
2015	46,810	22,513	69,323
2016	46,810	21,799	68,609
2017-21	234,051	59,222	293,273
2022-26	117,026	17,507	134,533
<b>TOTAL</b>	<b>585,128</b>	<b>228,757</b>	<b>813,884</b>

**NOTE 7 - PENSION PLANS**

Substantially all city full-time and qualifying part-time employees participate in Public Employees’ Retirement System (PERS) or Law Enforcement Officers and Fire Fighters (LEOFF), administered by the department of Retirement Systems, under cost-sharing multiple-employer public employee retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the City of Colfax financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits. The City of Colfax also makes payments to the Volunteer Firemen Relief and Pension Fund.

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

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

## **NOTE 8 - OTHER DISCLOSURES**

There are no other disclosures for 2012

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Colfax uses the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) manual (Category 2). The manual is prescribed by the State Auditor's Office under the authority of the Washington State law, chapter 43.09 RCW. The City of Colfax was incorporated in 1873 and operates under the laws of the State of Washington applicable to a second class city with a mayor-council form of government. The City is a general purpose government and provides water and sewer utility services, street maintenance, public safety with police, fire and building inspection services, parks for quality of life and general administrative services. The City uses single-entry, cash basis accounting, which is a departure from generally accepted accounting principles (GAAP).

### **A. Fund Accounting**

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

#### **GOVERNMENTAL FUND TYPES:**

##### **General Fund (Current Expense)**

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

##### **Special Revenue Funds**

These funds account for revenues that are legally restricted or designated to finance particular activities of the City. These revenues are derived from specific taxes, grants, or other sources. Special Revenue Funds of the City include the Park Fund, Flood Control/Storm Drain Fund, Capital Improvement Fund and City Street Fund.

##### **Debt Service Funds**

These funds account for the accumulation of resources to pay principal, interest and related costs on general long-term debt. City Debt Service Funds consist of the Public Works Project Redemption Fund.

##### **Capital Projects Funds**

These funds account for the financial resources which are designated for the acquisition and construction of general government capital improvements. Capital Project Funds of the City include the Capital Outlay Fund and the Water/Sewer Capital Outlay Fund.

**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 on a cost-reimbursement basis.

**Agency Funds:**

These funds are used to account assets that the City 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(s) budget appropriations as required by state law.

In Accordance with state law the City of Colfax 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 principals generally accepted in the United States of America.

**C. Budgets**

Annual appropriated budgets are adopted for all funds. The financial statements include budgetary comparisons for those funds.

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

The Appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$ 1,246,420.00	\$ 1,153,589.39	\$ (92,830.61)
Park Fund	\$ 151,815.00	\$ 151,797.48	\$ (17.52)
Street Fund	\$ 265,278.00	\$ 264,395.93	\$ (882.07)
Storm/Flood Fund	\$ 61,638	\$ 19,361.08	\$ ( 42,276.92)
Vactor Capital Fund	\$ -	\$ -	\$ -
Capital Fund	\$ 30,000.00	\$ 29,614.44	\$ (385.56)
Arterial Street Fund	\$ 658,000.00	\$ 657,997.24	\$ ( 2.76)
Water Fund	\$ 532,981.00	\$ 532,704.00	\$ (277.00)
Sewer Fund	\$ 536,693.00	\$ 527,927.43	\$ (8,765.57)
Wa/Sw Capital Fund	\$ 26,500.00	\$ 18,740.46	\$ (7,759.54)
Bond Reserve Fund	\$ -	\$ -	\$ -
PWPR Fund	\$ 127,000.00	\$ 124,032.80	\$ (2,967.20)
Water Svc Line	\$ 52,532.00	\$ 24,229..15	\$ (28,302.85)
Civic Imp Fund	\$ 10,000.00	\$ 7,315.94	\$ (2,684.06)
Unemployment Fund	\$ 1,200.00	\$ 1,107.48	\$ ( 92.52)
Information Tech Fund	\$ 38,404.00	\$ 26,951.05	\$ (11,452.95)
	\$ 3,738,461.00	\$ 3,539,763.87	\$ (198,697.13)

The City Treasurer is authorized to transfer budget amounts between departments with in any fund.; 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 of Colfax’s legislative body.

**D. Cash**

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

At December 31, 2011, the city cash holdings consisted of cash in the city checking accounts for outstanding claims, and payroll.

Checking Account:	Outstanding Claims	16,663.46
	Outstanding Payroll	102,030.91
	General Fund	<u>(20,514.36)</u>
	Total Checking Account	\$139,208.73
	Petty Cash/Change Funds	550.00
	<b>TOTAL CASH</b>	<b>\$139,758.73</b>

There were uncleared checks totaling \$673.63 at year end bringing the actual Total Cash to \$140,432.36. See Schedule 11-2.

**E. Deposits**

City of Colfax deposits at year-end were entirely covered by the Federal Depository Insurance Corporation (FDIC) and the Washington State Public Deposit Protection Commission.

**F. Investments**

See note 3-Investments

**H. Capital Assets**

Capital assets are long lived assets of the City of Colfax and are recorded as expenditures when purchased.

**I. Compensated Absences**

Vacation leave may be accumulated up to 240 hours (as of June 30) for all employees except the Fire Department. Fire Department employees can accumulate up to 360 hours. Vacation hours are payable upon separation or retirement.

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

**J. Long Term Debt**

See Note 6 - Long Term Debt

**K. Other Financing sources or uses**

The City's other financing sources or uses consist of transfers In and Out to generate revenue in Capital and Debt Funds.

## **L. Risk Management**

The City maintains insurance against most normal hazards except for unemployment insurance. The Unemployment Compensation Fund is responsible for collecting inter-fund transfers from the city funds and departments, if needed, for paying claim settlements. At December 31, 2011, the Unemployment Compensation Fund had \$2,054.11 available for unemployment claims.

The City of Colfax is a member of the Cities Insurance Association of Washington as of January 1, 1990. 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 Inter-local Cooperation Act. The pool was formed on September 1, 1988, when 34 cities in the State of Washington joined together by signing an: Inter-local Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Currently, the CIAW has 254 members in the pool..

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 insurance pool acquires liability insurance through their Administrator, Canfield, that is subject to a per-occurrence self-insured retention of \$100,000. Members are responsible for the first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$99,000. Insurance carriers cover insured losses over \$100,000 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 \$99,000 portion of the deductible. The pool, however, purchases a Stop Loss Policy with a limit of \$2,545,000 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, before terminating participation the following September 1. The Inter-local Governmental 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 signatory to the Inter-local Governmental Agreement.

The pool is fully funded by its member participants. Claims are filed by members with Canfield & Associates, Inc. which has been contracted to perform pool administration, claims adjustments and administration and loss prevention for the pool. Fees paid to the third party administrator under this arrangement for the year ended August 31, 2008 and 2009 were \$1,242,382 and \$1,321,289 respectively.

A governing board of ten members 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 pool. The pool has no employees, but has contracted with a third-party administrator, Canfield, to perform the daily administration of the pool, including underwriting, brokerage, account education, risk management and claims administration. Copies of the pool's annual report may be obtained by writing to 451 Diamond Drive, Ephrata, WA 98823.

**NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

There have been no material violations of finance-related legal or contractual provisions. There have been no expenditures exceeding legal appropriations in any of the funds of the City of Colfax.

**NOTE 3 - INVESTMENTS**

The City investments are either insured, registered or held by the city or its agent in the Cities name.

Investments by type at December 31, 2011 are as follows:

Savings – Bank of Whitman	668,847.73
State of Washington Investment Pool	1,343,278.23
<b>TOTAL INVESTMENTS</b>	<u>\$2,012,125.96</u>

**NOTE 4 - 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 Colfax. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied.

The regular levy for the City of Colfax for 2011 was \$2.611599052 per \$1,000 on an assessed valuation of \$144,372,104 for a total levy of \$377,042.05. In addition the city levied \$.7096 per thousand on an assessed valuation of \$105,688,817 to generate \$75,000 for a Park Levy approved by voters November 6, 2001. The Levy was payable in 2002. \$.73 cents was still outstanding as of Dec 31, 2010. The Whitman County Treasurer wrote it off as of January 1, 2011.

## **NOTE 5 - INTERFUND ACTIVITY**

There was not any inter fund loan activity done in 2011.

## **NOTE 6 - LONG-TERM DEBT**

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## **NOTE 7 - PENSION PLANS**

Substantially all city full-time and qualifying part-time employees participate in Public Employees' Retirement System (PERS) or Law Enforcement Officers and Fire Fighters (LEOFF), administered by the department of Retirement Systems, under cost-sharing multiple-employer public employee retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the City of Colfax financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits. The City of Colfax also makes payments to the Volunteer Firemen Relief and Pension Fund.

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Communications Unit  
PO Box 48380  
Olympia WA 98504-8380

## **NOTE 8 - OTHER DISCLOSURES**

There are no other disclosures for 2011

**City of Colfax**

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
<b>Revenue Obligations</b>							
	263.82	263.82 - Fairview Booster West Hill Looping Project	10/31/2019	95,936	0	13,705	82,231
	263.82	WWTP Headworks - Replacement	6/30/2024	492,622	0	39,546	453,076
	263.82	Water Fairview Well House	7/31/2024	75,111	0	5,778	69,333
	263.82	Glenwood Land Purchase	3/31/2029	17,813	0	17,813	0
<b>Total Revenue Obligations:</b>				<b>681,482</b>	<b>0</b>	<b>76,842</b>	<b>604,640</b>
<b>Total Liabilities:</b>				<b>681,482</b>	<b>0</b>	<b>76,842</b>	<b>604,640</b>

**City of Colfax**

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
<b>Revenue Obligations</b>							
	252.11	263.82 - Fairview Booster West Hill Looping Project	10/1/2019	109,641	0	13,705	95,936
	263.82	WWTP Headworks - Replacement	6/1/2024	531,580	0	38,958	492,622
	263.82	Water Fairview Well House	7/1/2024	80,889	0	5,778	75,111
	263.82	Water Fairview Well House	7/1/2024	80,889	0	5,778	75,111
	263.82	Glenwood Land Purchase	3/1/2029	35,626	0	17,813	17,813
<b>Total Revenue Obligations:</b>				<b>838,625</b>	<b>0</b>	<b>82,032</b>	<b>756,593</b>
<b>Total Liabilities:</b>				<b>838,625</b>	<b>0</b>	<b>82,032</b>	<b>756,593</b>

**City of Colfax**

Schedule of Liabilities  
For the year ended December 31, 2011

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2011	Additions	Reductions	Ending Balance December 31, 2011
<b>Revenue Obligations</b>							
	263.82	Water System Improvements - East Hill Reservoir	7/1/2011	33,439	0	33,439	0
	263.82	Fairview Booster West Hill Looping Project	10/1/2019	123,346	0	13,705	109,641
	263.82	WWTP Headworks - Replacement	6/30/2024	569,958	0	38,378	531,580
	263.82	Water Fairview Well House	7/1/2024	86,667	0	5,778	80,889
	263.82	Glenwood Land Purchase	3/1/2029	53,438	0	17,813	35,625
<b>Total Revenue Obligations:</b>				<b>866,848</b>	<b>0</b>	<b>109,113</b>	<b>757,735</b>
<b>Total Liabilities:</b>				<b>866,848</b>	<b>0</b>	<b>109,113</b>	<b>757,735</b>

## 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.

<b>Contact information for the State Auditor's Office</b>	
<b>Deputy Director for Communications</b>	Thomas Shapley <a href="mailto:Thomas.Shapley@sao.wa.gov">Thomas.Shapley@sao.wa.gov</a> (360) 902-0367
<b>Public Records requests</b>	(360) 725-5617
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>