



**Office of the Washington State Auditor**  
**Pat McCarthy**

## **Financial Statements Audit Report**

# **Town of Ione**

**Pend Oreille County**

**For the period January 1, 2014 through December 31, 2016**

**Published November 16, 2017**

**Report No. 1020154**





**Office of the Washington State Auditor  
Pat McCarthy**

November 16, 2017

Mayor and Town Council  
Town of Ione  
Ione, Washington

**Report on Financial Statements**

Please find attached our report on the Town of Ione's financial statements.

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

Sincerely,

Pat McCarthy  
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**

**Town of Ione  
Pend Oreille County  
January 1, 2014 through December 31, 2016**

Mayor and Town Council  
Town of Ione  
Ione, 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 Town of Ione, Pend Oreille County, Washington, as of and for the years ended December 31, 2016, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Town's financial statements, and have issued our report thereon dated October 18, 2017.

We issued an unmodified opinion on the fair presentation of the Town'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 Town 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 Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of the Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy

State Auditor

Olympia, WA

October 18, 2017

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## **Town of Ione Pend Oreille County January 1, 2014 through December 31, 2016**

Mayor and Town Council  
Town of Ione  
Ione, Washington

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

We have audited the accompanying financial statements of the Town of Ione, Pend Oreille County, Washington, for the years ended December 31, 2016, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Town'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 opinions 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 Town'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 Town'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 Town of Ione 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 Town of Ione, for the years ended December 31, 2016, 2015 and 2014, 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 Town 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 Town of Ione, as of December 31, 2016, 2015 and 2014, 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 opinions on the financial statements taken as a whole. The 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 October 18, 2017 on our consideration of the Town'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 Town's internal control over financial reporting and compliance.



Pat McCarthy

State Auditor

Olympia, WA

October 18, 2017

## FINANCIAL SECTION

**Town of Ione  
Pend Oreille County  
January 1, 2014 through December 31, 2016**

### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2016  
Fund Resources and Uses Arising from Cash Transactions – 2015  
Fund Resources and Uses Arising from Cash Transactions – 2014  
Notes to the Financial Statements – 2016  
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### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2016  
Schedule of Liabilities – 2015  
Schedule of Liabilities – 2014

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2016**

		<u>Total for All Funds (Memo Only)</u>	<u>001 Current Expense</u>	<u>101 Real Estate Excise Tax</u>	<u>103 Streets</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	651,164	-	9,128	44,120
30880	Unreserved	138,746	53,489	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	91,417	62,388	3,624	23,577
320	Licenses and Permits	623	548	-	-
330	Intergovernmental Revenues	102,190	58,762	-	13,600
340	Charges for Goods and Services	398,012	19,254	-	-
350	Fines and Penalties	1,370	1,370	-	-
360	Miscellaneous Revenues	23,658	18,058	-	34
Total Revenues:		<u>617,271</u>	<u>160,381</u>	<u>3,624</u>	<u>37,211</u>
<b>Expenditures</b>					
510	General Government	63,516	62,870	-	-
520	Public Safety	44,618	42,428	-	-
530	Utilities	259,090	-	-	-
540	Transportation	68,925	5,332	-	41,355
550	Natural and Economic Environment	500	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	33,764	33,764	-	-
Total Expenditures:		<u>470,414</u>	<u>144,394</u>	<u>-</u>	<u>41,355</u>
Excess (Deficiency) Revenues over Expenditures:		146,858	15,986	3,624	(4,144)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	22,542	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>22,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	28,819	-	-	-
591-593, 599	Debt Service	54,343	-	-	-
597	Transfers-Out	22,542	21,380	-	661
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>105,704</u>	<u>21,380</u>	<u>-</u>	<u>661</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b>63,696</b>	<b>(5,394)</b>	<b>3,624</b>	<b>(4,805)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	706,656	-	12,753	39,314
5088000	Unreserved	146,949	48,096	-	-
<b>Total Ending Cash and Investments</b>		<b>853,606</b>	<b>48,096</b>	<b>12,753</b>	<b>39,314</b>

The accompanying notes are an integral part of this statement.

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2016**

		<b>105</b>			
		<b>Tourism/Economic</b>	<b>110 Growth</b>	<b>302 Building</b>	<b>306 TIB Street</b>
		<b>mic</b>	<b>Management</b>	<b>Capital Fund</b>	<b>Reconstruction</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	22,680	1,582	-	-
30880	Unreserved	-	-	35,607	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,828	-	-	-
320	Licenses and Permits	75	-	-	-
330	Intergovernmental Revenues	-	-	-	16,725
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	18	1	28	-
Total Revenues:		1,921	1	28	16,725
<b>Expenditures</b>					
510	General Government	-	-	646	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	500	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		500	-	646	-
Excess (Deficiency) Revenues over Expenditures:		1,421	1	(618)	16,725
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	1,542	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	1,542	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	16,725
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	16,725
<b>Increase (Decrease) in Cash and Investments:</b>		<b>1,421</b>	<b>1</b>	<b>924</b>	<b>0</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	24,101	1,583	-	-
5088000	Unreserved	-	-	36,532	-
<b>Total Ending Cash and Investments</b>		<b>24,101</b>	<b>1,583</b>	<b>36,532</b>	<b>-</b>

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2016**

	<u>314 Equipment Reserve</u>	<u>316 Fire Reserve</u>	<u>317 Airport Improvements Reserve</u>	<u>326 Park Reserve</u>
<b>Beginning Cash and Investments</b>				
30810	Reserved	-	-	-
30880	Unreserved	1,931	20,643	19,768
388 / 588	Prior Period Adjustments, Net	-	-	-
<b>Revenues</b>				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	1,290	11,813
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	2	17	18
Total Revenues:		2	1,307	11,832
<b>Expenditures</b>				
510	General Government	-	-	-
520	Public Safety	-	2,191	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		-	2,191	-
Excess (Deficiency) Revenues over Expenditures:		2	(884)	11,831
<b>Other Increases in Fund Resources</b>				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	250	250	5,250
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		250	250	5,250
<b>Other Decreases in Fund Resources</b>				
594-595	Capital Expenditures	-	-	12,094
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	-	12,094
<b>Increase (Decrease) in Cash and Investments:</b>		<b>252</b>	<b>(634)</b>	<b>4,987</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	-	-	-
5088000	Unreserved	2,183	20,009	24,756
<b>Total Ending Cash and Investments</b>		<b>2,183</b>	<b>20,009</b>	<b>24,756</b>
		<b>10,507</b>		<b>10,507</b>

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2016**

		<b>401 Water Operations And Maintenance</b>	<b>420 Sewer Operations And Maintenance</b>	<b>501 Equipment Service Fund</b>
<b>Beginning Cash and Investments</b>				
30810	Reserved	384,905	188,750	-
30880	Unreserved	-	-	2,055
388 / 588	Prior Period Adjustments, Net	-	-	-
<b>Revenues</b>				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	247,882	120,583	10,292
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	318	153	7
Total Revenues:		<u>248,200</u>	<u>120,736</u>	<u>10,299</u>
<b>Expenditures</b>				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	182,170	76,921	-
540	Transportation	-	-	22,237
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		<u>182,170</u>	<u>76,921</u>	<u>22,237</u>
Excess (Deficiency) Revenues over Expenditures:		66,030	43,815	(11,938)
<b>Other Increases in Fund Resources</b>				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	15,000
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	-	15,000
<b>Other Decreases in Fund Resources</b>				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	54,343	-	-
597	Transfers-Out	142	109	250
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		<u>54,485</u>	<u>109</u>	<u>250</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b>11,545</b>	<b>43,706</b>	<b>2,812</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	396,451	232,456	-
5088000	Unreserved	-	-	4,867
<b>Total Ending Cash and Investments</b>		<b>396,451</b>	<b>232,456</b>	<b>4,867</b>

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2015**

		<u>Total for All Funds (Memo Only)</u>	<u>001 Current Expense</u>	<u>101 Real Estate Excise Tax</u>	<u>103 Streets</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	623,083	-	7,517	35,581
30880	Unreserved	129,900	36,154	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	94,280	64,533	1,611	24,133
320	Licenses and Permits	931	881	-	-
330	Intergovernmental Revenues	397,606	56,246	-	9,377
340	Charges for Goods and Services	389,336	18,908	-	-
350	Fines and Penalties	1,851	1,851	-	-
360	Miscellaneous Revenues	22,662	22,015	-	34
Total Operating Revenues:		<u>906,665</u>	<u>164,434</u>	<u>1,611</u>	<u>33,544</u>
<b>Operating Expenditures</b>					
510	General Government	55,051	55,051	-	-
520	Public Safety	42,351	42,351	-	-
530	Utilities	249,225	-	-	-
540	Transportation	47,153	4,735	-	29,999
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	33,888	32,888	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		<u>427,667</u>	<u>135,025</u>	<u>-</u>	<u>29,999</u>
Net Operating Increase (Decrease):		<u>478,997</u>	<u>29,409</u>	<u>1,611</u>	<u>3,545</u>
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	13,184	199	-	5,500
Total Nonoperating Revenues:		<u>13,184</u>	<u>199</u>	<u>-</u>	<u>5,500</u>
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	72,918	-	-	-
594-595	Capital Expenditures	369,153	-	-	-
597	Transfers-Out	13,184	12,274	-	507
Total Nonoperating Expenditures:		<u>455,255</u>	<u>12,274</u>	<u>-</u>	<u>507</u>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b><u>36,926</u></b>	<b><u>17,334</u></b>	<b><u>1,611</u></b>	<b><u>8,538</u></b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	651,164	-	9,128	44,120
5088000	Unreserved	138,746	53,489	-	-
<b>Total Ending Cash and Investments</b>		<b><u>789,910</u></b>	<b><u>53,489</u></b>	<b><u>9,128</u></b>	<b><u>44,120</u></b>

The accompanying notes are an integral part of this statement.

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2015**

		<u>105</u>	<u>110 Growth</u>	<u>302 Building</u>	<u>304 Sidewalk</u>
		Tourism/Economic	Management	Capital Fund	Improvements Projects
<b>Beginning Cash and Investments</b>					
30810	Reserved	19,585	1,580	-	189
30880	Unreserved	-	-	34,566	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	4,002	-	-	-
320	Licenses and Permits	50	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	43	1	30	-
Total Operating Revenues:		<u>4,095</u>	<u>1</u>	<u>30</u>	<u>-</u>
<b>Operating Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	1,000	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Operating Increase (Decrease):		3,095	1	30	-
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	1,012	-
Total Nonoperating Revenues:		<u>-</u>	<u>-</u>	<u>1,012</u>	<u>-</u>
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	-	-	-	-
597	Transfers-Out	-	-	-	189
Total Nonoperating Expenditures:		<u>-</u>	<u>-</u>	<u>-</u>	<u>189</u>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b>3,095</b>	<b>1</b>	<b>1,042</b>	<b>(189)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	22,680	1,582	-	-
5088000	Unreserved	-	-	35,607	-
<b>Total Ending Cash and Investments</b>		<b>22,680</b>	<b>1,582</b>	<b>35,607</b>	<b>-</b>

The accompanying notes are an integral part of this statement.



**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2015**

		<u>306 TIB Street Reconstruction</u>	<u>314 Equipment Reserve</u>	<u>316 Fire Reserve</u>	<u>317 Airport Improvements Reserve</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	10	-	-	-
30880	Unreserved	-	1,929	16,662	33,456
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	2,493	255,720
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	2	15	30
Total Operating Revenues:		-	2	2,509	255,750
<b>Operating Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		-	-	-	-
Net Operating Increase (Decrease):		-	2	2,509	255,750
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	1,473	-
Total Nonoperating Revenues:		-	-	1,473	-
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	-	-	-	269,438
597	Transfers-Out	10	-	-	-
Total Nonoperating Expenditures:		10	-	-	269,438
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b>(10)</b>	<b>2</b>	<b>3,982</b>	<b>(13,688)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	-	1,931	20,643	19,768
<b>Total Ending Cash and Investments</b>		<b>-</b>	<b>1,931</b>	<b>20,643</b>	<b>19,768</b>

The accompanying notes are an integral part of this statement.

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2015**

		<u>326 Park Reserve</u>	<u>401 Water Operations And Maintenance</u>	<u>420 Sewer Operations And Maintenance</u>	<u>501 Equipment Service Fund</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	351,714	206,906	-
30880	Unreserved	5,248	-	-	1,886
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	73,770	-
340	Charges for Goods and Services	-	247,599	115,243	7,585
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	5	336	148	3
Total Operating Revenues:		<u>5</u>	<u>247,936</u>	<u>189,161</u>	<u>7,588</u>
<b>Operating Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	159,949	89,275	-
540	Transportation	-	-	-	12,419
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		<u>-</u>	<u>159,949</u>	<u>89,275</u>	<u>12,419</u>
Net Operating Increase (Decrease):		<u>5</u>	<u>87,987</u>	<u>99,886</u>	<u>(4,831)</u>
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	5,000
Total Nonoperating Revenues:		<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	54,676	18,242	-
594-595	Capital Expenditures	-	-	99,715	-
597	Transfers-Out	-	119	85	-
Total Nonoperating Expenditures:		<u>-</u>	<u>54,795</u>	<u>118,042</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b><u>5</u></b>	<b><u>33,192</u></b>	<b><u>(18,156)</u></b>	<b><u>169</u></b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	384,905	188,750	-
5088000	Unreserved	5,252	-	-	2,055
<b>Total Ending Cash and Investments</b>		<b><u>5,252</u></b>	<b><u>384,905</u></b>	<b><u>188,750</u></b>	<b><u>2,055</u></b>

The accompanying notes are an integral part of this statement.

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2014**

		<u>Total for All Funds (Memo Only)</u>	<u>001 Current Expense</u>	<u>101 Real Estate Excise Tax</u>	<u>103 Streets</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	565,155	-	5,500	21,697
30880	Unreserved	137,008	57,826	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	91,781	61,110	2,017	23,954
320	Licenses and Permits	2,556	2,531	-	-
330	Intergovernmental Revenues	493,540	56,742	-	13,304
340	Charges for Goods and Services	375,197	17,284	-	-
350	Fines and Penalties	2,953	2,953	-	-
360	Miscellaneous Revenues	22,365	21,448	-	27
Total Operating Revenues:		<u>988,391</u>	<u>162,069</u>	<u>2,017</u>	<u>37,285</u>
<b>Operating Expenditures</b>					
510	General Government	73,339	73,339	-	-
520	Public Safety	44,393	44,393	-	-
530	Utilities	209,181	-	-	-
540	Transportation	48,461	6,435	-	28,469
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	37,671	36,671	-	-
Total Operating Expenditures:		<u>413,045</u>	<u>160,838</u>	<u>-</u>	<u>28,469</u>
Net Operating Increase (Decrease):		<u>575,347</u>	<u>1,232</u>	<u>2,017</u>	<u>8,816</u>
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	923	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	23,554	-	-	5,500
Total Nonoperating Revenues:		<u>24,477</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	70,055	-	-	-
594-595	Capital Expenditures	455,394	-	-	-
597	Transfers-Out	23,554	22,903	-	431
Total Nonoperating Expenditures:		<u>549,004</u>	<u>22,903</u>	<u>-</u>	<u>431</u>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b><u>50,821</u></b>	<b><u>(21,671)</u></b>	<b><u>2,017</u></b>	<b><u>13,885</u></b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	623,083	-	7,517	35,581
5088000	Unreserved	129,900	36,154	-	-
<b>Total Ending Cash and Investments</b>		<b><u>752,983</u></b>	<b><u>36,154</u></b>	<b><u>7,517</u></b>	<b><u>35,581</u></b>

The accompanying notes are an integral part of this statement.

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2014**

	<b>105 Tourism/Economic</b>	<b>110 Growth Management</b>	<b>302 Building Capital Fund</b>	<b>304 Sidewalk Improvements Projects</b>
<b>Beginning Cash and Investments</b>				
30810	Reserved	16,411	1,579	-
30880	Unreserved	-	-	190
388 & 588	Prior Period Adjustments, Net	-	32,911	-
<b>Operating Revenues</b>				
310	Taxes	4,131	-	569
320	Licenses and Permits	25	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	28,123
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	18	2	31
Total Operating Revenues:		4,174	2	600
<b>Operating Expenditures</b>				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	1,000	-	-
Total Operating Expenditures:		1,000	-	-
Net Operating Increase (Decrease):		3,174	2	600
<b>Nonoperating Revenues</b>				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	-	-	1,054
Total Nonoperating Revenues:		-	-	1,054
<b>Nonoperating Expenditures</b>				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	-	-	-
594-595	Capital Expenditures	-	-	28,123
597	Transfers-Out	-	-	-
Total Nonoperating Expenditures:		-	-	28,123
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b>3,174</b>	<b>2</b>	<b>1,654</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	19,585	1,580	-
5088000	Unreserved	-	-	189
<b>Total Ending Cash and Investments</b>		<b>19,585</b>	<b>1,580</b>	<b>34,566</b>

The accompanying notes are an integral part of this statement.

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2014**

		<u>306 TIB Street Reconstruction</u>	<u>314 Equipment Reserve</u>	<u>316 Fire Reserve</u>	<u>317 Airport Improvements Reserve</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	10	-	-	-
30880	Unreserved	-	7,225	16,646	17,367
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	29,116
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	4	15	24
Total Operating Revenues:		-	4	15	29,139
<b>Operating Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	5,299	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Operating Expenditures:		-	5,299	-	-
Net Operating Increase (Decrease):		-	(5,295)	15	29,139
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	15,000
Total Nonoperating Revenues:		-	-	-	15,000
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	-	-	-	28,050
597	Transfers-Out	-	-	-	-
Total Nonoperating Expenditures:		-	-	-	28,050
<b>Net Increase (Decrease) in Cash and Investments:</b>		-	<b>(5,295)</b>	<b>15</b>	<b>16,089</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	10	-	-	-
5088000	Unreserved	-	1,929	16,662	33,456
<b>Total Ending Cash and Investments</b>		<b>10</b>	<b>1,929</b>	<b>16,662</b>	<b>33,456</b>

The accompanying notes are an integral part of this statement.

**Town of Ione**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2014**

		<u>326 Park Reserve</u>	<u>401 Water Operations And Maintenance</u>	<u>420 Sewer Operations And Maintenance</u>	<u>501 Equipment Service Fund</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	309,519	210,250	-
30880	Unreserved	5,033	-	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	366,255	-
340	Charges for Goods and Services	-	240,202	109,641	8,070
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	215	362	219	1
Total Operating Revenues:		<u>215</u>	<u>240,564</u>	<u>476,115</u>	<u>8,070</u>
<b>Operating Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	143,219	65,962	-
540	Transportation	-	-	-	8,258
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Operating Expenditures:		<u>-</u>	<u>143,219</u>	<u>65,962</u>	<u>8,258</u>
Net Operating Increase (Decrease):		<u>215</u>	<u>97,345</u>	<u>410,153</u>	<u>(188)</u>
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	-	-	850	73
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	2,000
Total Nonoperating Revenues:		<u>-</u>	<u>-</u>	<u>850</u>	<u>2,073</u>
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	55,009	15,047	-
594-595	Capital Expenditures	-	-	399,221	-
597	Transfers-Out	-	142	79	-
Total Nonoperating Expenditures:		<u>-</u>	<u>55,150</u>	<u>414,347</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b><u>215</u></b>	<b><u>42,194</u></b>	<b><u>(3,344)</u></b>	<b><u>1,885</u></b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	351,714	206,906	-
5088000	Unreserved	5,248	-	-	1,886
<b>Total Ending Cash and Investments</b>		<b><u>5,248</u></b>	<b><u>351,714</u></b>	<b><u>206,906</u></b>	<b><u>1,886</u></b>

The accompanying notes are an integral part of this statement.

**Town of Ione**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2016**

**Note 1 - Summary of Significant Accounting Policies**

The Town of Ione was incorporated in 1910 and operates under the laws of the state of Washington applicable to a mayor/council government. The Town of Ione is a general purpose local government and provides water, sewer and fire protection. Police protection is contracted through the Pend Oreille County Sheriff's Department.

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

### Capital Projects Funds

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

### PROPRIETARY FUND TYPES:

#### Enterprise Funds

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

#### Internal Service Funds

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

#### Agency Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

### B. Basis of Accounting and Measurement Focus

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

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

### C. Budgets

The Town of Ione adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:



Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - Current Expense	195,561	165,774	29,787
103 - Streets	56,809	42,017	14,792
105 - Tourism/Economic Development	1,000	500	500
302 - Building Capital Fund	1,500	646	854
306 - TIB Street Reconstruction	192,700	16,725	175,975
316 - Fire Reserve	3,784	2,191	1,593
317 - Airport Improvements Reserve	15,450	12,094	3,356
326 - Park Reserve	8,000	0	8,000
401 - Water Operations and Maintenance	234,508	236,654	-2,146
420 - Sewer Operations and Maintenance	86,092	77,030	9,062
501 - Equipment Service Fund	24,930	22,487	2,443
635 - Court Clearing		3,792	-3,792

The negative fund 401 balance were unforeseen year-end expenses.

Budgeted amounts are authorized to be transferred between departments within 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 Town of Ione's legislative body.

D. Cash and Investments

See Note 3, *Deposits and Investments*.

E. Capital Assets

Capital assets are long-lived assets of the Town of Ione and are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to twenty-two (22) days and is payable upon separation or retirement. Sick leave may be accumulated up to 720 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

## H. Risk Management

The Town of Ione is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2016, there are 205 members in the program.

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

The program acquires liability insurance through their Administrator, Clear Risk Solutions, which is subject to a per-occurrence self-insured retention of \$100,000, with the exception of Wrongful Acts and Law Enforcement Liability, which have a self-insured retention of \$25,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy as another layer of protection to its membership, with an attachment point of \$1,718,302.

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

Equipment Breakdown insurance is subject to a per-occurrence deductible of \$2,500, which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage, with the exception of Pumps & Motors which is \$15,000 and is covered by the CIAW.

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

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, claims adjustment and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending December 1, 2016, were \$1,484,482.

**I. Reserved Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by Council. When expenditures that meet restrictions are incurred, the Town of Ione intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of following:

Fund	Description	Balance	Purpose
101	Real Estate Excise Tax	12,753	Municipal Cap. Improvement
103	Streets	39,314	Operation & Maintenance
105	Tourism/Econ. Development	24,101	Tourism promotion
110	Growth Management	1,583	Cost associated with urban growth
401	Water Operations and Maintenance	396,451	Water System Management
420	Sewer Operations and Maintenance	232,456	Sewer System Management
	Total	706,658	

**Note 2 - Property Tax**

The county treasurer acts as an agent to collect property tax 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 Town of Ione. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town of Ione regular levy for the year 2016 was 1.9762515047 per \$1,000 on an assessed valuation of \$20,380,407 for a total regular levy of \$40,277.

**Note 3 – Deposits and Investments**

It is the Town of Ione’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All investments are insured, registered or held by the Town of Ione or its agent in the government’s name.

Investments are reported at original cost. Investments by type at December 31, 2016 are as follows:

<u>Type of Investment</u>	Town of Ione <b>own</b> investments	Investments held by Town of Ione as an agent for other local governments, individuals or private organizations.	Total
Money Market	\$ <u>513,705</u>	\$ _____	\$ <u>513,705</u>
Total	\$ <u>513,705</u>	\$ _____	\$ <u>513,705</u>

**Note 4 – Debt Service Requirements**

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the Town of Ione and summarizes the Town of Ione’s debt transactions for year ended December 31, 2016.

The debt service requirements for general obligation bonds and revenue bonds are as follows:

<b>Revenue Bond</b>			
	<b>Princ.</b>	<b>Interest</b>	<b>Total Debt</b>
2017	48,231	5,779	54,010
2018	48,231	5,446	53,677
2019	48,231	5,114	53,344
2020	48,231	4,781	53,012
2021	48,231	4,448	52,679
2022-26	181,359	17,397	198,756
2027-31	91,667	11,917	103,583
2032-36	91,667	7,333	99,000
2037-41	91,667	2,750	94,417
	697,513	64,965	762,478

**Note 5 – Pension Plans**

The Town of Ione does not participate in a retirement plan.

**Note 6 – Other Disclosures**

Inter-local Agreements:

- Association of Washington Cities Employee Benefit Trust
- Pend Oreille County Solid Waste & Moderate Risk Plan
- Pend Oreille County - Planning & Permits
- Pend Oreille County Board of Commissioners-Joint Airport Zoning
- Pend Oreille County Fire District #2 - Mutual Aid Agreement
- Pend Oreille County Sheriff
- Pend Oreille County Library District - Rental
- Chippewa Water and Sewer District
- Community Colleges of Spokane - Rental

**Town of Ione**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

**Note 1 - Summary of Significant Accounting Policies**

The Town of Ione was incorporated in 1910 and operates under the laws of the state of Washington applicable to a mayor/council government. The Town of Ione is a general purpose local government and provides water, sewer and fire protection. Police protection is contracted through the Pend Oreille County Sheriff's Department.

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

### Capital Projects Funds

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

### PROPRIETARY FUND TYPES:

#### Enterprise Funds

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

#### Internal Service Funds

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

#### Agency Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

### B. Basis of Accounting and Measurement Focus

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

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

### C. Budgets

The Town of Ione adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - Current Expense	160,640	147,299	13,341
103- Streets	31,931	30,506	1,425
105 - Tourism/Economic Development	1,000	1,000	0
304 - Sidewalk Improvements Projects	189	189	0
306 - TIB Street Reconstruction	10	10	0
316 - Fire Reserve	1,341	0	1,341
317 - Airport Improvements Reserve	290,422	269,438	20,984
401 - Water Operations and Maintenance	230,526	214,744	15,782
420 - Sewer Operations and Maintenance	310,553	207,317	103,236
501 - Equipment Service Fund	15,036	12,419	2,617
635 - Court Clearing		4,291	-4,291

Budgeted amounts are authorized to be transferred between departments within 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 Town of Ione's legislative body.

D. Cash and Investments

See Note 3, *Deposits and Investments*.

E. Capital Assets

Capital assets are long-lived assets of the Town of Ione and are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to twenty-two (22) days and is payable upon separation or retirement. Sick leave may be accumulated up to 720 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

H. Risk Management

The Town of Ione is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to

the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2015, there are 210 members in the program.

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

The program acquires liability insurance through their Administrator, Clear Risk Solutions, which is subject to a per-occurrence self-insured retention of \$100,000, with the exception of Wrongful Acts and Law Enforcement Liability which have a self-insured retention of \$25,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy as another layer of protection to its membership, with an attachment point of \$2,140,107.

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

Equipment Breakdown insurance is subject to a per-occurrence deductible of \$2,500, which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage, with the exception of Pumps & Motors which is \$15,000 and is covered by the CIAW.

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

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, claims adjustment and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending December 1, 2015, were \$627,702.

#### I. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions



on use imposed by external parties or due to internal commitments established by Council. When expenditures that meet restrictions are incurred, the Town of Ione intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of following:

Fund	Description	Balance	Purpose
101	Real Estate Excise Tax	9,128	Municipal Cap. Improvement
103	Streets	44,120	Operation & Maintenance
105	Tourism/Econ. Development	22,680	Tourism promotion
110	Growth management	1,582	Cost associated with urban growth
401	Water Operations and Maintenance	384,905	Water system improvements
420	Sewer Operations and Maintenance	188,750	Debt payment
	Total	651,165	

**Note 2 - Property Tax**

The county treasurer acts as an agent to collect property tax 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 Town of Ione. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town of Ione regular levy for the year 2015 was \$1.9906122656 per \$1,000 on an assessed valuation of \$19,982,244 for a total regular levy of \$39,777.

**Note 3 – Deposits and Investments**

It is the Town of Ione’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All investments are insured, registered or held by the Town of Ione or its agent in the government’s name.

Investments are reported at original cost. Investments by type at December 31, 2015 are as follows:

<u>Type of Investment</u>	Town’s Investments	Investments held by the Town as an agent for other local governments, individuals or private organizations.	Total
Money Market	\$ <u>513,057</u>	\$ _____	\$ <u>513,057</u>
Total	<u>513,057</u>	_____	<u>513,057</u>

**Note 4 – Debt Service Requirements**

**Debt Service**

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

The debt service requirements for general obligation bonds and revenue bonds are as follows:

<b>Revenue Bond</b>			
	<b>Princ.</b>	<b>Interest</b>	<b>Total Debt</b>
2016	48,231	6,112	54,343
2017	48,231	5,779	54,010
2018	48,231	5,446	53,677
2019	48,231	5,114	53,344
2020	48,231	4,781	53,012
2021-25	211,257	18,912	230,168
2026-30	91,667	12,833	104,500
2031-35	91,667	8,250	99,917
2036-40	91,667	3,667	95,333
2041	18,333	183	18,517
	745,744	71,077	816,821

**Note 5 – Pension Plans**

The Town of Ione does not participate in a retirement plan.

**Note 6 – Other Disclosures**

The Town’s Inter-local Agreements are as follows:

- Association of Washington Cities Employee Benefit Trust
- Pend Oreille County Solid Waste & Moderate Risk Plan
- Pend Oreille County for Planning & Permits
- Chippewa Water and Sewer District
- Pend Oreille County Board of Commissioners-Joint Airport Zoning
- Pend Oreille County Fire District #2
- Pend Oreille County Sheriff
- Pend Oreille County Library District
- Chippewa Water and Sewer District
- Community Colleges of Spokane

**Town of Ione**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2014**

**Note 1 - Summary of Significant Accounting Policies**

The Town of Ione was incorporated in 1910 and operates under the laws of the state of Washington applicable to a mayor/council government. The Town of Ione is a general purpose local government and provides water, sewer, and fire protection. Police protection is contracted through the Pend Oreille County Sheriff's Department.

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

### Capital Projects Funds

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

#### PROPRIETARY FUND TYPES:

### Enterprise Funds

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

### Internal Service Funds

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

### Agency Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

#### B. Basis of Accounting and Measurement Focus

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

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

#### C. Budgets

The Town of Ione adopts an annual appropriated budgets for all funds. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - Current Expense	190,114	183,740	6,373
103 - Streets	37,348	28,900	8,448
105 - Tourism/Economic Development	1,000	1,000	0
304 - Sidewalk Improvements Projects	28,123	28,123	0
314 - Equipment Reserve	5,299	5,299	0
317 - Airport Improvements Reserve	97,221	28,050	69,171
401 - Water Operations and Maint.	295,772	198,370	97,402
420 - Sewer Operations and Maint.	692,354	480,309	212,045
501 - Equipment Service Fund	10,047	8,258	1,789
635 - Court Clearing		6,447	-6,447

Budgeted amounts are authorized to be transferred between departments within any fund classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Town of Ione legislative body.

D. Cash and Investments

See Note 3, *Deposits and Investments*.

E. Capital Assets

Capital assets are long-lived assets of the Town of Ione and are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to twenty-two (22) days and is payable upon separation or retirement. Sick leave may be accumulated up to 720 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

H. Risk Management

The Town of Ione is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent

that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2014, there are 223 members in the program.

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

The program acquires liability insurance through their Administrator, Canfield that is subject to a per-occurrence self-insured retention of \$100,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy, with an attachment point of \$3,259,396, to cap the total claims paid by the program in any one policy term.

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

Equipment Breakdown insurance is subject to a per-occurrence deductible of \$2,500, which may vary per member with the exception of Pumps & Motors which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage, with the exception of Pumps & Motors which is \$15,000 and is covered by the CIAW.

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

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. On July 21, 2014, the Board passed a

resolution changing the CIAW's renewal date from September 1, to December 1<sup>st</sup> beginning with the 2014-15 policy term. An endorsement was added to the 2013-14 Memorandum of Coverage, extending coverage to December 1, 2014. The next full policy year will begin on December 1, 2014. Premiums were prorated for the extension period. Invoices and certificates were issued.

The program has no employees. Claims are filed by members/brokers with Canfield, who has been contracted to perform program administration, claims adjustment, administration, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ending December 1, 2014, were \$1,817,655.

**I. Reserved Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by Council. When expenditures that meet restrictions are incurred, the Town of Ione intends to use reserved resources first before using unreserved amounts. Reserved accounts refined from 2013 to include all water and sewer account.

Reservations of Ending Cash and Investments consist of the following:

<b>Fund</b>	<b>Description</b>	<b>Balance</b>	<b>Purpose</b>
101	Real Estate Excise Tax	7,517	Future municipal Cap. Improvements
103	Streets	35,581	Operation & Maintenance
105	Tourism/Econ. Development	19,585	Tourism promotion
110	Growth Management	1,580	Cost associated with urban growth
304	Sidewalk Improvement	189	TIB Sidewalk Project
306	Street Reconstruction	10	TIB Street Project
401	Water Operations & Maint.	351,714	Water System Management
420	Sewer Operations & Maint.	206,906	Sewer System Management
		623,082	

**Note 2 - Property Tax**

The county treasurer acts as an agent to collect property tax 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 Town of Ione. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town of Ione regular levy for the year 2014 was \$1.9906122656 per \$1,000 on an assessed valuation of \$19,982,244 for a total regular levy of \$39,767.

**Note 3 – Deposits and Investments**

**Deposits and Investments**

It is the Town of Ione’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All investments are insured, registered or held by the Town of Ione or its agent in the government’s name.

Investments are reported at original cost. Investments by type at December 31, 2014 are as follows:

<u>Type of Investment</u>	Town of Ione’s <b>own</b> investments	Investments held by the Town as an agent for other local governments, individuals or private organizations.	Total
Money Market	\$ <u>512,390</u>	\$ _____	\$ <u>512,390</u>
Total	\$ <u>512,390</u>	\$ _____	\$ <u>512,390</u>

**Note 4 – Debt Service Requirements**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the Town of Ione and summarizes the Town of Ione’s debt transactions for year ended December 31, 2014.

The debt service requirements for general obligation bonds, revenue bonds, including both principle and interest, are as follows:

<b>Revenue Bond</b>			
	<b>Princ.</b>	<b>Interest</b>	<b>Total Debt</b>
2015	66,473	6,445	72,918
2016	48,231	6,112	54,343
2017	48,231	5,779	54,010
2018	48,231	5,446	53,677
2019	48,231	5,114	53,344
2020-24	241,154	20,576	261,730
2025-29	91,667	13,750	105,417
2030-34	91,667	9,167	100,833
2035-39	91,667	4,583	96,250
2040-41	36,667	550	37,217
	812,218	77,522	889,739



**Note 5 - Other Disclosures**

The Town has Inter-local agreements as follows:

- Association of Washington Cities Employee Benefit Trust
- Pend Oreille County Solid Waste & Moderate Risk Plan
- Chippewa Water and Sewer District
- Pend Oreille County Fire District #2
- Pend Oreille County Planning and Permits
- Pend Oreille County Sheriff
- Pend Oreille County Library District
- Community Colleges of Spokane

**Town of Ione  
Schedule of Liabilities  
For the Year Ended December 31, 2016**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
263.82	2005 DWSRF Public Works Board 03-65103-022 Issuance Date:10/1/2003	10/1/2024	269,079	-	29,898	239,182
263.82	WA State Dept of Commerce 2010 DWSRF NT DM10- 952-019 Issuance Date: 4/12/2012	10/1/2041	476,668	-	18,333	458,335
259.12	Compensated Abenses		4,342	3,720	2,720	5,342
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>750,089</b>	<b>3,720</b>	<b>50,951</b>	<b>702,858</b>
	<b>Total Liabilities:</b>		<b>750,089</b>	<b>3,720</b>	<b>50,951</b>	<b>702,858</b>

**Town of Ione  
Schedule of Liabilities  
For the Year Ended December 31, 2015**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
263.82	2005 DWSRF Public Works Board 03-65103-022 Issuance Date:10/1/2003	10/1/2024	298,976	-	29,898	269,079
263.82	WA State Dept of Commerce-2009 PWTF PP09-951-049 Issuance Date: 7/1/2010	7/15/2015	14,555	-	14,555	-
263.82	WA State Dept of Commerce 2010 DWSRF NT DM10- 952-019 Issuance Date: 4/12/2012	10/1/2041	495,001	-	18,333	476,668
263.82	Chippewa Sewer District Dept of Ecology L 020002B Issuance Date: 06/30/2002	6/30/2022	3,687	-	3,687	-
259.12	Compensated Abenses		4,987	6,690	7,335	4,342
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>817,206</b>	<b>6,690</b>	<b>73,808</b>	<b>750,088</b>
<b>Total Liabilities:</b>			<b>817,206</b>	<b>6,690</b>	<b>73,808</b>	<b>750,088</b>

**Town of Ione  
Schedule of Liabilities  
For the Year Ended December 31, 2014**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
259.11	Compensated absences		1,199	858	-	2,057
	<b>Total General Obligation Debt/Liabilities:</b>		<b>1,199</b>	<b>858</b>	<b>-</b>	<b>2,057</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
263.82	2005 DWSRF Public Works Board 03-65103-022 Issuance Date:10/1/2003	10/1/2024	328,873	-	29,898	298,976
263.82	WA State Dept of Commerce-2009 PWTF PP09-951-049 Issuance Date: 7/1/2010	7/15/2015	29,110	-	14,555	14,555
263.82	WA State Dept of Commerce 2010 DWSRF NT DM10- 952-019 Issuance Date: 4/12/2012	10/1/2041	513,334	-	18,333	495,001
263.82	Chippewa Sewer District Dept of Ecology L 020002B Issuance Date: 06/30/2002	6/30/2022	4,179	-	492	3,687
259.12	Compensated absences		2,885	45	-	2,930
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>878,381</b>	<b>45</b>	<b>63,277</b>	<b>815,149</b>
	<b>Total Liabilities:</b>		<b>879,580</b>	<b>903</b>	<b>63,277</b>	<b>817,206</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>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
<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>