



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Washougal

For the period January 1, 2017 through December 31, 2017

Published November 26, 2018

Report No. 1022668





Office of the Washington State Auditor

Pat McCarthy

November 26, 2018

Mayor and City Council
City of Washougal
Washougal, Washington

Report on Financial Statements

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

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

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

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**

**City of Washougal
January 1, 2017 through December 31, 2017**

Mayor and City Council
City of Washougal
Washougal, 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 Washougal, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated November 19, 2018.

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized "P" and "M".

Pat McCarthy

State Auditor

Olympia, WA

November 19, 2018

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Washougal January 1, 2017 through December 31, 2017

Mayor and City Council
City of Washougal
Washougal, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Washougal, for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 11.

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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Washougal 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 Washougal, for the year ended December 31, 2017, 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 Washougal, as of December 31, 2017, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2018 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.

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy

State Auditor

Olympia, WA

November 19, 2018

FINANCIAL SECTION

City of Washougal January 1, 2017 through December 31, 2017

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2017
Notes to Financial Statements – 2017

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2017

City of Washougal
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

		Total for All Funds (Memo Only)	001 General Fund	101 Streets Fund	103 Cemetery Fund
Beginning Cash and Investments					
30810	Reserved	15,802,746	1,878,497	-	49,111
30880	Unreserved	14,141,938	1,947,683	51,944	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	9,615,076	8,308,809	207,981	-
320	Licenses and Permits	728,189	598,875	127,579	-
330	Intergovernmental Revenues	1,904,443	450,974	353,700	-
340	Charges for Goods and Services	12,702,846	1,566,594	10,165	51,485
350	Fines and Penalties	10,963	-	-	-
360	Miscellaneous Revenues	625,544	60,878	12,805	6,132
Total Revenues:		25,587,060	10,986,129	712,231	57,617
Expenditures					
510	General Government	3,091,554	2,298,786	-	-
520	Public Safety	6,864,784	6,850,412	-	-
530	Utilities	5,196,585	1,222	-	180,319
540	Transportation	1,241,691	103,904	1,011,769	-
550	Natural and Economic Environment	729,406	729,406	-	-
560	Social Services	11,592	11,592	-	-
570	Culture and Recreation	646,025	556,105	-	-
Total Expenditures:		17,781,637	10,551,426	1,011,769	180,319
Excess (Deficiency) Revenues over Expenditures:		7,805,424	434,703	(299,539)	(122,702)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	10,165,567	-	-	-
397	Transfers-In	2,157,172	596,307	247,700	90,000
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	979,735	978,740	-	995
381, 395, 398	Other Resources	109,008	-	-	-
Total Other Increases in Fund Resources:		13,411,482	1,575,047	247,700	90,995
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,988,914	-	-	7,122
591-593, 599	Debt Service	13,527,702	-	-	-
597	Transfers-Out	2,157,172	1,107,700	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	635,963	628,397	-	-
581	Other Uses	53,462	-	-	2,824
Total Other Decreases in Fund Resources:		22,363,214	1,736,097	-	9,946
Increase (Decrease) in Cash and Investments:		(1,146,307)	273,652	(51,839)	(41,653)
Ending Cash and Investments					
5081000	Reserved	12,879,287	1,966,306	-	7,459
5088000	Unreserved	15,919,089	2,133,527	106	-
Total Ending Cash and Investments		28,798,376	4,099,834	106	7,459

The accompanying notes are an integral part of this statement.

City of Washougal
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

		108 Hotel Motel Fund	118 PEG Fee Fund	125 EMS Restricted Revenue Fund	141 Drug Seizure Fund
Beginning Cash and Investments					
30810	Reserved	111,277	120,308	647,949	32,597
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	93,429	-	-	-
320	Licenses and Permits	-	1,736	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	9,247
360	Miscellaneous Revenues	1,016	1,057	6,281	6,324
Total Revenues:		94,445	2,793	6,281	15,570
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	14,372
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	89,921	-	-	-
Total Expenditures:		89,921	-	-	14,372
Excess (Deficiency) Revenues over Expenditures:		4,524	2,793	6,281	1,199
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	596,307	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	596,307	-
Increase (Decrease) in Cash and Investments:		4,524	2,793	(590,026)	1,199
Ending Cash and Investments					
5081000	Reserved	115,802	123,101	57,924	33,796
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		115,802	123,101	57,924	33,796

City of Washougal
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

		211 Woodburn/JKL LID Fund	212 UTGO DEBT Fund	213 Gifford Liedtke LID Fund	215 Downtown Revitalization Bond
Beginning Cash and Investments					
30810	Reserved	1,025,285	93,944	37,265	953,386
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	70,550	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	1,443	-	274	-
360	Miscellaneous Revenues	40,074	818	15,731	5,969
Total Revenues:		41,517	71,369	16,005	5,969
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		41,517	71,368	16,005	5,969
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	356,400
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	50,639
Total Other Increases in Fund Resources:		-	-	-	407,039
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	3,870	115,600	170	356,827
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		3,870	115,600	170	356,827
Increase (Decrease) in Cash and Investments:		37,647	(44,232)	15,835	56,181
Ending Cash and Investments					
5081000	Reserved	1,062,931	49,712	53,100	1,009,567
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		1,062,931	49,712	53,100	1,009,567

City of Washougal
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

		304 1st Quarter % REET Fund	306 2nd Quarter % REET Fund	326 Fire Impact Fees Fund	350 Parks Capital Improvement
Beginning Cash and Investments					
30810	Reserved	1,062,296	471,758	267,596	490,933
30880	Unreserved	-	-	-	293,295
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	467,153	467,153	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	27,900
340	Charges for Goods and Services	-	-	76,715	219,220
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	10,984	4,095	2,671	125,928
Total Revenues:		478,137	471,248	79,386	373,048
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	94,146	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	94,146	-	-
Excess (Deficiency) Revenues over Expenditures:		478,137	377,102	79,386	373,048
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	375,000	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	375,000	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	662,143	25,411	401,016
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	356,400	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		356,400	662,143	25,411	401,016
Increase (Decrease) in Cash and Investments:		121,737	89,959	53,975	(27,968)
Ending Cash and Investments					
5081000	Reserved	1,184,033	561,717	321,571	576,450
5088000	Unreserved	-	-	-	179,810
Total Ending Cash and Investments		1,184,033	561,717	321,571	756,260

City of Washougal
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

		351 Building Contingency Fund	353 Transportation Capital Projects	401 Water Sewer Fund	403 Stormwater Fund
Beginning Cash and Investments					
30810	Reserved	-	1,156,644	7,072,364	-
30880	Unreserved	201,438	106,495	9,545,252	1,637,284
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	21,556	969,813	55,499	25,000
340	Charges for Goods and Services	-	588,033	8,768,873	1,410,577
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	372	10,596	295,048	15,766
Total Revenues:		21,928	1,568,442	9,119,421	1,451,343
Expenditures					
510	General Government	-	-	792,607	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	4,062,973	952,071
540	Transportation	-	-	31,872	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	4,887,452	952,071
Excess (Deficiency) Revenues over Expenditures:		21,928	1,568,442	4,231,968	499,272
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	10,165,567	-
397	Transfers-In	180,000	30,000	96,328	437
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		180,000	30,000	10,261,895	437
Other Decreases in Fund Resources					
594-595	Capital Expenditures	121,873	1,684,921	2,801,805	15,648
591-593, 599	Debt Service	-	-	13,051,235	-
597	Transfers-Out	-	-	437	96,328
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	50,639	-
Total Other Decreases in Fund Resources:		121,873	1,684,921	15,904,116	111,976
Increase (Decrease) in Cash and Investments:		80,055	(86,479)	(1,410,253)	387,733
Ending Cash and Investments					
5081000	Reserved	-	1,352,597	4,057,301	-
5088000	Unreserved	281,493	(175,937)	11,150,063	2,025,017
Total Ending Cash and Investments		281,493	1,176,661	15,207,364	2,025,017

City of Washougal
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

		510 Employment Security Fund	520 Equipment Rental and Revolving Fund	704 Perpetual Care Fund
Beginning Cash and Investments				
30810	Reserved	-	-	331,537
30880	Unreserved	170,699	187,847	-
388 / 588	Prior Period Adjustments, Net	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	11,184
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	1,598	1,021	376
Total Revenues:		1,598	1,021	11,560
Expenditures				
510	General Government	162	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		162	-	-
Excess (Deficiency) Revenues over Expenditures:		1,436	1,021	11,560
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	185,000	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	55,546	2,824
Total Other Increases in Fund Resources:		-	240,546	2,824
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	268,974	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	7,567	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		7,567	268,974	-
Increase (Decrease) in Cash and Investments:		(6,131)	(27,407)	14,384
Ending Cash and Investments				
5081000	Reserved	-	-	345,920
5088000	Unreserved	164,569	160,440	-
Total Ending Cash and Investments		164,569	160,440	345,920

CITY OF WASHOUGAL

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Note 1 – Summary of Significant Accounting Policies

The City of Washougal was incorporated in November 1908 and operates under the laws of the state of Washington applicable to a non-charter Code City Mayor-Council form of government. The City is a general purpose government and provides public safety, fire prevention, street improvement, parks and recreation, health and social services and general administrative services. In addition, the City owns and operates water, sewer and sanitary systems.

The City of Washougal 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 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 City. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

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

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 OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

Capital Project 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.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

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

B. Basis of Accounting and Measurement Focus

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

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

C. Budgets

The City adopts annual appropriated budgets for all governmental and proprietary funds, except debt service funds. Debt service funds use a continuing appropriation, which is established when the original debt ordinance to adopt the debt amortization schedule was approved by council. 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 follows:

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

FUND	Final Appropriated Amounts	Actual Expenditures	Variance
001 GENERAL FUND	\$ 12,123,007	\$ 11,661,018	\$ 461,989
101 CITY STREET FUND	\$ 1,100,683	\$ 1,011,769	\$ 88,914
103 CEMETERY SERVICES FUND	\$ 186,870	\$ 190,265	\$ (3,395)
108 HOTEL/MOTEL TAX	\$ 127,200	\$ 89,921	\$ 37,279
118 PEG FEES	\$ 15,000	\$ -	\$ 15,000
125 EMS RESTRICTED	\$ 646,900	\$ 596,307	\$ 50,593
141 DRUG SEIZURE FUND	\$ 23,500	\$ 14,372	\$ 9,128
212 UTGO REDEMPTION	\$ 115,300	\$ 115,600	\$ (300)
215 DOWNTOWN REDEMPTION FUND	\$ 356,100	\$ 356,827	\$ (727)
304 REAL ESTATE EXCISE	\$ 356,100	\$ 356,400	\$ (300)
306 REAL ESTATE EXCISE	\$ 870,000	\$ 756,289	\$ 113,711
326 FIRE IMPACT FEE	\$ 25,411	\$ 25,411	\$ 0
350 CAPITAL PROJECT	\$ 1,878,715	\$ 401,016	\$ 1,477,699
351 FACILITIES CAPITAL PROJECT	\$ 170,000	\$ 121,873	\$ 48,127
353 TRANSPORTATION CAPITAL PROJECT	\$ 8,886,800	\$ 1,684,921	\$ 7,201,879
401 WATER/SEWER FUND	\$ 26,579,707	\$ 23,792,719	\$ 2,786,988
403 STORMWATER UTILITY	\$ 1,318,694	\$ 1,064,047	\$ 254,647
510 EMPLOYMENT SECURITY	\$ 30,450	\$ 7,729	\$ 22,721
520 ER&R FUND - ROLLING STOCK	\$ 318,255	\$ 268,974	\$ 49,281
704 PERPETUAL CARE	\$ -	\$ -	\$ -
Total	\$ 55,128,692	\$ 42,515,458	\$ 12,613,234

The finance director is authorized to transfer budgeted amounts between departments within any fund or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours or other conditions of employment must be approved by the City Council.

Fund 103 – Cemetery Services was slightly over budget due to increased salary and benefit costs. This was corrected in the 2018 budget.

Fund 212 – UTGO Redemption was slightly over budget due to an additional debt fee.

Fund 215 – Downtown Redemption Fund was slightly over budget due to an additional debt fee.

Fund 304 – Real Estate Excise Fund was slightly over budget due to an additional debt fee.

D. Cash and Investments.

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

See Deposit and Investments, Note 2.

E. Capital Assets

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

F. Compensated Absences

Vacation leave for general employees and police officers, may be accumulated up to 45 days and is payable upon separation from service or retirement.

Sick leave may be accumulated up to 960 hours for general employees and police officers. Upon separation or retirement employees with five years or more of service are eligible for the following:

- Non represented employees hired prior to July 6, 2010 will receive a 25% payout of accrued balance.
- Police hired prior to December 31, 2010 receive a 25% payout of accrued balance.
- 307-W union receives 25% of accrued hours upon leaving employment.

All sick and vacation payouts are calculated at the employees wage rate at the time of separation. The total outstanding liability for compensated absences are reported on the Schedule of Liabilities (Schedule 09).

G. Long-Term Debt

See Note 5, Debt Service Requirements.

H. Other Financing Sources or Uses

The City's "Other Financing Sources or Uses" consists of sales of capital assets, insurance recovery, agency disbursements, intergovernmental services, debt redemption and transfers.

I. Reserve Fund Balance

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 ordinance of the City Council. When expenditures that meet restrictions are incurred, the City intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of the following:

- Cemetery Fund- To operate the City's Cemetery, reserved amount \$7,459.
- 1st Quarter REET Fund – For use on the City's Capital Improvement plan, reserved amount \$1,184,033.
- Parks Capital Improvement Fund – For use on the City's Park Improvement plan, reserved amount \$576,450.
- 2nd Quarter REET Fund – For use on the City's Capital Improvement plan, reserved amount \$561,717.

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

- Hotel Motel Fund – For use on City tourism as approved by the Lodging Tax Committee, reserved amount \$115,802.
- Capital Projects Transportation Fund – For use on the Transportation Improvement plan, reserved \$1,352,597.
- PEG Fees – To bring local government to citizens through media such as television, reserved amount \$123,101.
- EMS Restricted Revenue – For use in the EMS services, reserved amount \$57,924.
- Fire Impact Fees – For use in future capital facility needs, reserved amount \$321,571.
- Drug Seizure Fund – For use in a narcotics program, reserved amount \$33,796.
- Woodburn/JKL Fund – For the payment of the local improvement assessment, reserved amount \$1,062,931.
- UTGO Debt Fund – For the payment of the General Obligation bond, reserved amount \$49,712.
- Gifford Liedtke Fund – For the payment of the local improvement assessment, reserved amount \$53,100.
- Downtown Revitalization Bond Fund – For the payment of the General Obligation bond, reserved amount \$1,009,567.
- Water/Sewer Utility Fund – For the bond funds issued for capital improvements, reserved amount \$4,057,301.
- Perpetual Care Fund – For the future care of the cemetery, reserved amount \$345,920.

Note 2 – Deposits and Investments

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

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the City or its agent in the government's name.

Long term investments are presented at original cost while short term investments are presented at fair value.

Investments by type at December 31, 2017 are as follows:

Investment	Type of Investment	Balance as invested by City
US Government Securities	Long Term	\$ 4,496,639

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

Local Government Investment Pool	Short Term	21,916,605
Money Market Account	Short Term	0
	Total	\$ 26,413,244

Note 3 – Property Taxes

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed throughout the month.

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

The City's regular levy for 2017 was \$2.47 per \$1,000 on an assessed valuation of 1,734,745,532 for a total regular levy of \$4,292,669.

In 2017, the City also levied \$.04 per \$1,000 for public safety bonds for a total additional levy of \$70,000.

Note 4 – Interfund Loans and Advances

The following table displays interfund loan activity during 2017:

Borrowing Fund	Lending Fund	Balance 1/1/17	New Loans	Repayments	Balance 12/31/2017
Cemetery Fund	Perpetual Care Fund	\$ 2,000	\$ -	\$ 1,000	\$ 1,000
Cemetery Fund	Perpetual Care Fund	10,856	-	1,788	9,068
Water/Sewer Fund	Downtown Guarantee Bond Fund	100,000	-	50,000	50,000
		<u>\$ 112,856</u>	<u>\$ -</u>	<u>\$ 52,788</u>	<u>\$ 60,068</u>

Note 5 – Debt Service Requirements

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City and summarizes the City's debt transactions for year ended December 31, 2017.

The debt service requirements for general obligation bonds, revenue bonds, public works trust fund loans, assessment debt, and real estate purchase including are as follows:

CITY OF WASHOUGAL

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,041,113	\$ 1,212,653	\$ 3,253,765
2019	2,081,660	1,155,028	3,236,689
2020	2,228,443	1,094,987	3,323,430
2021	2,459,474	1,019,755	3,479,229
2022	2,326,773	932,235	3,259,008
2023-2027	11,615,579	3,422,662	15,038,241
2028-2032	9,172,707	1,640,941	10,813,647
2033-2037	2,705,000	571,800	3,276,800
2038-2040	1,410,000	114,400	1,524,400
Totals	<u>\$ 36,040,748</u>	<u>\$ 11,164,462</u>	<u>\$ 47,205,209</u>

Debt Refunding

The City issued \$9,997,000 of revenue refunding bonds to retire \$9,005,000 of existing 2011 revenue bonds. This refunding was undertaken to reduce total debt service payments over the next 14 years by \$634,736.99. The financial statements reflect other financing sources of \$9,997,000 and other financing uses of \$10,076,042 pertaining to this transaction.

Note 6 – Pension Plans

Substantially all of the City's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees' Retirement System (PERS), and Law Enforcement Officers'.

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

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

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

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

At June 30, 2017, the City's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

CITY OF WASHOUGAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

	Allocation %	Liability (Asset)
PERS 1	.031753%	\$1,506,705
PERS 2 and 3	.040908%	\$1,421,357
LEOFF 1	.006545%	(\$99,302)
LEOFF 2	.056799%	(\$788,186)

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

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

Note 7 – Risk Management

The City of Washougal is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 161 members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical

CITY OF WASHOUGAL

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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

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

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

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

Self-Insurance Fund

The City is self-insured for claims regarding unemployment insurance. Resources set aside as of financial statement presentation date for unemployment claims are approximately \$164,955.

Note 8 – Health and Welfare

The City is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2017, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual

CITY OF WASHOUGAL

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December 31, 2017

member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2017, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns.

The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

Note 9 – Joint Ventures and Related Parties

CWEDA – Jointly Governed Organization

CITY OF WASHOUGAL

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December 31, 2017

In 2011, the City of Washougal together with the City of Camas, The port of Camas-Washougal, Downtown Camas Association, Columbia River Economic Development Council, Camas-Washougal Chamber of Commerce, Southwest Washington Work Force Development Council and Innovate Washington formed Camas-Washougal Economic Development Association (CWEDA). This quasi-municipal entity was created so the leadership from forming organizations are able to work together for the economic health of the entire area. The primary mission is to support existing business and to bring new businesses and jobs into the local area. The City of Washougal contributed \$50,000 during 2017 to this organization.

The board of directors for this organization are:

Larry Keister, Port Camas-Washougal Commissioner
Molly Coston, Washougal Mayor
Scott Higgins, Camas Mayor
David Ripp, Camas-Washougal Port Executive Director
Brent Boger, Washougal City Council
Steve Hogan, Camas City Council
David Scott, Washougal City Administrator
Pete Capell, Camas City Administrator

CWEDA Board Meetings are held 4th Thursday of each month from 1:30-3:00 p.m. in the CWEDA Board Room located at 1700 Main Street Washougal, WA 98671.

Camas/Washougal Fire Department

Since May of 2014, the City of Washougal and the City of Camas have combined fire services. The City of Camas assumed responsibility of managing the fire services with the City of Washougal paying a monthly fee for fire services to the City of Camas.

The calculation for what the City of Washougal pays for fire services is based the on the total percentage when adding together the following percentages: 50% property tax (structural assessed value), 25% population, and 25% call volume. The initial annual charge is based on the current year budget using the percentages from the last full year of data (a two year lag) and then the information is “trued up” by the end of June the following year. In 2017, the City of Washougal paid approximately \$254,921 a month totaling \$3,059,052 for the year. The total monthly payment for these services in 2018 is \$274,500 for an estimated yearly cost of \$3,294,000.

Emergency Services – CRESA

Clark Regional Emergency Services Agency (CRESA) was created under the Interlocal Cooperation Act (RCW 39.40) by agreement between the City and other governmental units and political districts. Its purpose is to provide a consolidated public safety community actions service to participating cities, political districts, and Clark County. For 2017, the City paid a proportionate share of the operational costs in at 3.2% or \$187,599. Current liabilities are comprised of amounts owed to vendors, other governments, and accrued employee leave

CITY OF WASHOUGAL
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December 31, 2017

liabilities. The entity's long term debt consists solely of compensated absences. The entity's long-term debt is unsecured. Clark County maintains the accounting records for CRESA. Detailed financial statements for this entity can be obtained from CRESA, 710 W. 13th Street, Vancouver, Washington 98660.

Note 10 – Significant commitments or obligations

OPEB

The City has a commitment to pay for post-employment benefits for employees that belong to LEOFF 1. These benefits include medical, vision, and dental. Three retirees received benefits during the year costing \$28,878.

City of Washougal
Schedule of Liabilities
For the Year Ended December 31, 2017

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.12	GO Bonds refunded voted 9/12	12/1/2022	610,000	0	100,000	510,000
251.11	GO Bonds non-voted 12/14	12/1/2026	2,915,000	0	250,000	2,665,000
263.98	Real Estate Purchase Agreement with Port of Camas/Washougal	7/1/2025	568,868	0	25,593	543,275
Total General Obligation Debt/Liabilities:			4,093,868	0	375,593	3,718,275
Revenue and Other (non G.O.) Debt/Liabilities						
263.88	Public Works Trust Fund Loan 6/05	7/1/2025	392,821	0	43,647	349,174
263.88	Public Works Trust Fund Loan 6/12	6/1/2031	488,415	0	32,561	455,854
263.88	Public Works Trust Fund Loan 6/12	6/1/2031	211,223	0	14,082	197,141
263.88	Public Works Trust Fund Loan 6/06	7/1/2026	959,780	0	95,978	863,802
263.88	Public Works Trust Fund Loan 6/08	7/1/2028	1,237,637	0	103,136	1,134,501
252.11	Revenue Bonds non-voted 6/05	9/1/2020	85,000	0	0	85,000
252.11	Revenue Bonds non-voted 5/11	9/1/2025	15,270,000	0	9,320,000	5,950,000
252.11	Revenue Bonds non-voted 12/14	9/1/2034	4,675,000	0	190,000	4,485,000
252.11	Revenue Bonds non-voted 12/15	9/1/2040	9,340,000	0	715,000	8,625,000
252.11	Revenue Bonds non-voted 3/17	9/1/2031	0	9,997,000	70,000	9,927,000
264.30	Net Pension Liability		3,713,981		785,919	2,928,062
259.12	Compensated Absences General and Street Funds		531,662		4,895	526,767
259.12	Compensated Absences Water/Sewer Funds		87,778	4,001		91,779
259.12	Compensated Absences Stormwater Fund		32,862		3,384	29,478
Total Revenue and Other (non G.O.) Debt/Liabilities:			37,026,159	10,001,001	11,378,602	35,648,558
Assessment Debt/Liabilities (with commitments)						
253.63	Woodburn Hill Local Improvement District 2/00	2/15/2020	45,000	0	0	45,000
253.63	Gifford Liedtke Local Improvement District 9/04	10/1/2021	205,000	0	0	205,000
Total Assessment Debt/Liabilities (with commitments):			250,000	0	0	250,000
Total Liabilities:			41,370,027	10,001,001	11,754,195	39,616,833

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

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

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

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

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