



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Town of Cathlamet

For the period January 1, 2016 through December 31, 2017

Published December 20, 2018

Report No. 1022748





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

December 20, 2018

Mayor and Town Council
Town of Cathlamet
Cathlamet, Washington

Report on Financial Statements

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

We are issuing this report in order to provide information on the Town'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**

**Town of Cathlamet
January 1, 2016 through December 31, 2017**

Mayor and Town Council
Town of Cathlamet
Cathlamet, 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 Cathlamet, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Town's financial statements, and have issued our report thereon dated December 5, 2018.

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 opinions 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 style with a large, stylized "P" and "M".

Pat McCarthy

State Auditor

Olympia, WA

December 5, 2018

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Town of Cathlamet January 1, 2016 through December 31, 2017

Mayor and Town Council
Town of Cathlamet
Cathlamet, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Town of Cathlamet, for the years ended December 31, 2017 and 2016, 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 Cathlamet 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 Cathlamet, for the years ended December 31, 2017 and 2016, 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 Cathlamet, as of December 31, 2017 and 2016, 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 conducted 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 December 5, 2018 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

December 5, 2018

FINANCIAL SECTION

Town of Cathlamet January 1, 2016 through December 31, 2017

FINANCIAL STATEMENTS

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Schedule of Liabilities – 2016

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

		Total for All Funds (Memo Only)	001 Current Expense	109 Emergency Medical Services	402 Water O/M Fund
Beginning Cash and Investments					
30810	Reserved	1,127,697	760,247	-	64,061
30880	Unreserved	632,588	205,369	5,722	335,806
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	364,148	364,148	-	-
320	Licenses and Permits	24,706	24,706	-	-
330	Intergovernmental Revenues	158,388	110,264	48,124	-
340	Charges for Goods and Services	1,393,881	18,065	64,082	629,136
350	Fines and Penalties	23,427	469	-	12,054
360	Miscellaneous Revenues	30,459	26,562	2,290	956
Total Revenues:		1,995,008	544,213	114,496	642,146
Expenditures					
510	General Government	124,949	120,066	-	500
520	Public Safety	226,337	118,338	107,999	-
530	Utilities	672,081	274	-	386,116
540	Transportation	27,469	27,469	-	-
550	Natural and Economic Environment	3,864	3,864	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	200,744	200,744	-	-
Total Expenditures:		1,255,445	470,755	107,999	386,616
Excess (Deficiency) Revenues over Expenditures:		739,564	73,459	6,497	255,530
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	81	81	-	-
381, 395, 398	Other Resources	613,678	613,678	-	-
Total Other Increases in Fund Resources:		613,759	613,759	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	244,684	221,841	-	22,844
591-593, 599	Debt Service	329,734	2,218	-	63,502
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		574,419	224,059	-	86,346
Increase (Decrease) in Cash and Investments:		778,905	463,159	6,497	169,184
Ending Cash and Investments					
5081000	Reserved	1,529,051	977,505	-	159,426
5088000	Unreserved	1,010,137	451,269	12,219	409,625
Total Ending Cash and Investments		2,539,188	1,428,774	12,219	569,051

The accompanying notes are an integral part of this statement.

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

		403 Sewer O/M Fund
		<hr/>
Beginning Cash and Investments		
30810	Reserved	303,389
30880	Unreserved	85,690
388 / 588	Prior Period Adjustments, Net	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	682,597
350	Fines and Penalties	10,905
360	Miscellaneous Revenues	651
Total Revenues:		<hr/> 694,153
Expenditures		
510	General Government	4,383
520	Public Safety	-
530	Utilities	285,690
540	Transportation	-
550	Natural and Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<hr/> 290,074
Excess (Deficiency) Revenues over Expenditures:		<hr/> 404,080
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:		<hr/> -
Other Decreases in Fund Resources		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	264,014
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	-
581	Other Uses	-
Total Other Decreases in Fund Resources:		<hr/> 264,014
Increase (Decrease) in Cash and Investments:		<hr/> 140,066
Ending Cash and Investments		
5081000	Reserved	392,120
5088000	Unreserved	137,024
Total Ending Cash and Investments		<hr/> 529,144

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

		Total for All Funds (Memo Only)	001 Current Expense	109 Emergency Medical Services	402 Water O/M Fund
Beginning Cash and Investments					
30810	Reserved	445,737	137,306	10,000	48,014
30880	Unreserved	1,261,578	789,166	23,781	325,989
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	355,552	355,552	-	-
320	Licenses and Permits	27,586	27,586	-	-
330	Intergovernmental Revenues	226,873	210,483	16,390	-
340	Charges for Goods and Services	1,305,364	13,825	93,139	639,288
350	Fines and Penalties	17,029	433	-	7,182
360	Miscellaneous Revenues	24,212	19,405	4,010	523
Total Revenues:		1,956,616	627,285	113,539	646,993
Expenditures					
510	General Government	174,859	162,462	-	8,925
520	Public Safety	266,193	124,595	141,598	-
530	Utilities	694,634	407	-	419,977
540	Transportation	24,380	24,380	-	-
550	Natural and Economic Environment	1,162	1,162	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	169,948	169,948	-	-
Total Expenditures:		1,331,175	482,952	141,598	428,902
Excess (Deficiency) Revenues over Expenditures:		625,440	144,332	(28,059)	218,091
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	526	526	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		526	526	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	148,628	103,394	-	33,992
591-593, 599	Debt Service	424,267	2,218	-	158,235
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	102	102	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		572,997	105,714	-	192,226
Increase (Decrease) in Cash and Investments:		52,969	39,142	(28,059)	25,865
Ending Cash and Investments					
5081000	Reserved	1,022,901	655,450	-	64,061
5088000	Unreserved	737,384	310,166	5,722	335,806
Total Ending Cash and Investments		1,760,285	965,616	5,722	399,867

The accompanying notes are an integral part of this statement.

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

		403 Sewer O/M Fund
		<hr/>
Beginning Cash and Investments		
30810	Reserved	250,418
30880	Unreserved	122,642
388 / 588	Prior Period Adjustments, Net	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	559,113
350	Fines and Penalties	9,414
360	Miscellaneous Revenues	273
Total Revenues:		<hr/> 568,800
Expenditures		
510	General Government	3,472
520	Public Safety	-
530	Utilities	274,250
540	Transportation	-
550	Natural and Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<hr/> 277,722
Excess (Deficiency) Revenues over Expenditures:		<hr/> 291,078
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:		<hr/> -
Other Decreases in Fund Resources		
594-595	Capital Expenditures	11,243
591-593, 599	Debt Service	263,814
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	-
581	Other Uses	-
Total Other Decreases in Fund Resources:		<hr/> 275,057
Increase (Decrease) in Cash and Investments:		<hr/> 16,021
Ending Cash and Investments		
5081000	Reserved	303,389
5088000	Unreserved	85,690
Total Ending Cash and Investments		<hr/> 389,080

Town of Cathlamet
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

		Investment Trust
308	Beginning Cash and Investments	33,251
388 & 588	Prior Period Adjustment, Net	-
310-390	Additions	15,809
510-590	Deductions	19,320
	Net Increase (Decrease) in Cash and Investments:	(3,511)
508	Ending Cash and Investments	29,740

The accompanying notes are an integral part of this statement.

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

		605 Utility Deposit Report On
308	Beginning Cash and Investments	69,258
388 & 588	Prior Period Adjustments, Net	-
310-360	Revenues	-
380-390	Other Increases and Financing Sources	18,918
510-570	Expenditures	-
580-590	Other Decreases and Financing Uses	54,926
	Net Increase (Decrease) in Cash and Investments:	(36,008)
508	Ending Cash and Investments	33,251

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements
For the year ended December 31, 2017

Note 1 - Summary of Significant Accounting Policies

The Town of Cathlamet was incorporated on Feb. 4, 1907 and operates under the laws of the state of Washington applicable to a Town. The Town is a general purpose local government and provides water/sewer utility services.

The Town 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

Notes to the Financial Statements
For the year ended December 31, 2017

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.

FIDUCIARY FUND TYPES:

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

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 also recognizes expenditures paid up to twenty (20) days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The Town adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - Current Expense			
Current Expense			
Wages / Benefits	124,150.00	104,438.89	19,711.11
General Government Services	101,000.00	56,661.60	44,338.40
Finance	6,500.00	7,534.32	-1,034.32

Notes to the Financial Statements
For the year ended December 31, 2017

Central Services	4,320.00	3,990.78	329.22
Public Safety	133,817.21	116,289.96	17,527.25
Fire Control	7,500.00	8,000.00	-500
Culture & Recreation	76,370.00	72,023.18	4,346.82
Cultural & Recreational Fac	5,000.00	5,000.00	
Swimming Pool	14,300.00	11,777.02	2,522.98
Town Parks	2,500.00	2,700.00	-200
Debt Service	2,250.00	2,218.00	32
Current Expense	477,707.21	390,633.75	87,073.46
Current Expense Cumulative Reserve	168,000.00	96,622.78	71,377.22
Streets	28,175.00	63,813.68	-35,638.68
Library	39,845.00	38,301.96	1,543.04
Cumulative Reserve Fire Department	74,000.00	100,000.00	-26,000.00
Cathlamet Tourism Development Fund	3,500.00	5,391.77	-1,891.77
Total 001 - Current Expense	791,227.21	694,763.94	96,463.27
109 - Emergency Medical Services Cumulative Reserve	124,100.00	107,999.49	16,100.51
402 - Water O/M Fund			
Water O/M Fund	450,500.00	409,460.17	41,039.83
Water Revenue Bond Redemption And Reserve	158,235.00	63,502.00	94,733.00
			135,772.8
Total 402 - Water O/M Fund	608,735.00	472,962.17	3
403 - Sewer O/M Fund			
Sewer O/M Fund	288,450.00	290,073.63	-1,623.63
Sewer Revenue Bond Redemption And Reserve	263,817.00	264,014.42	-197.42
Total 403 - Sewer O/M Fund	552,267.00	554,088.05	-1,821.05
605 - Deposits	13,000.00	19,320.00	-6,320.00

Budgeted amounts are authorized to be transferred between (departments within any fund or object

Notes to the Financial Statements
For the year ended December 31, 2017

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's legislative body.

D. Cash and Investments

See Note 2, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 700 hours. Upon separation or retirement employees receive payment for 10% of unused sick leave. Payments are recognized as expenditures when paid. Compensatory time may be accumulated up to 40 hours and is payable upon separation or retirement. If employee is unable to use compensatory time within six month period, they may receive payout of time accrued. The Total cost of compensated absences as of 12/31/17 was \$31,474.52.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

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

Reservations of Ending Cash and Investments consist of: \$1,558,791.

Fund Name	Amount Reserved	Reason for Restriction
Fund 001	\$977,505	To support the Current Expense Fund
Fund 605	\$29,740	Utility deposits held per ordinance
Fund 402	\$159,426	Revenue Bond restriction
Fund 403	\$392,120	Revenue Bond and loan requirements

Note 2 – Deposits and Investments

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

Notes to the Financial Statements
For the year ended December 31, 2017

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

Investments are reported at fair market value. Investments by type at December 31, 2017 are as follows:

<u>Type of Investment</u>	The City's own investments	Investments held by the City as an agent for other local governments, individuals, or private organizations.	<u>Total</u>
LGIP	237,204		237,204
<i>Total</i>	\$ 237,204		\$ 237,204

Note 3 - 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. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town's regular levy for the year 2017 was \$10.08332 per \$1,000 on an assessed valuation of \$56,178,583 for a total regular levy of \$566,466.63.

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 and summarizes the Town debt transactions for year ended December 31, 2017.

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

Year	Principal	Interest	Total Debt Service
2018	142,950	186,938	329,888
2019	148,546	182,443	330,989
2020	152,253	197,762	350,015
2021	156,077	172,940	329,017

Notes to the Financial Statements
For the year ended December 31, 2017

2022	151,030	167,923	318,953
2023-2028	907,147	915,962	1,823,109
2029-2034	960,655	747,857	1,708,512
2035-2039	927,950	474,603	1,402,553
2040-2044	880,359	340,701	1,221,060
2045-2049	937,933	206,211	1,144,144
2050-2054	929,476	64,990	994,466
2054-2058			-
Totals	\$ 6,294,376	\$ 3,658,330	\$ 9,952,706

Note 5 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the Town'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. The Town Council also approved participation in the Deferred Compensation program if desired.

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
P.O. Box 48380
Olympia, WA 98540-8380

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

The Town also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

Notes to the Financial Statements
For the year ended December 31, 2017

At June 30, 2017 (the measurement date of the plans), the Town's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan Type	Employer Contributions	Plan Liability / Asset	Responsibility Percentage	NPL	NPA
PERS 1	6	4,745,078,000	0.00000100%	47	
PERS 1 UAAL	12402	4,745,078,000	0.00206200%	97,844	
PERS 2/3	16203	3,474,522,000	0.00265300%	92,179	
VFFRPF	900	(37,100,000)	0.420000%		-378
				\$ 190,070	\$ -378

Note 6 – Risk Management

The Town of Cathlamet is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2017, 99 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) and pollution liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is

Notes to the Financial Statements
For the year ended December 31, 2017

reinsured by Berkley Public Entity for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2017, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

Note 7 - Other Disclosures

In June 2017, the PW Superintendent applied for and received a grant in the amount of \$36,345.00 from TIB for Emergency Pavement repairs. We had not budgeted for this and due to lack of experience, I did not prepare a budget amendment to account for this additional revenue and expenditure.

In August 2017, the Town Council approved the lease agreement for the purchase of a new fire engine and \$25,000 from Reserve balance in Fund 108 was used along with \$75,000 from Current Expense Cumulative Reserve Fund 007 to comprise the \$100,000 down payment needed for the purchase.

The Town Council approved an ordinance increasing sewer and water rates to support our Operations and Maintenance Funds and will automatically increase to the CPI each year unless the Council deems it unnecessary.

Interlocal Agreements:

The Town has an agreement with Wahkiakum County for law enforcement services costing \$77,517.71 for 2017.

The Town receives funding from Wahkiakum County for Swimming Pool operations and maintenance at a dollar to dollar match not to exceed \$50,000 per year.

Notes to the Financial Statements
For the year ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies

The Town of Cathlamet was incorporated on Feb. 4, 1907 and operates under the laws of the state of Washington applicable to a Town. The Town is a general purpose local government and provides water/sewer utility services.

The Town 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.

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.

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.

FIDUCIARY FUND TYPES:

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

Agency Funds

These funds are used to account for 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 also recognizes expenditures paid up to twenty (20) days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The Town adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - Current Expense			
Current Expense			
Wages / Benefits	137,150.00	103,313.45	33,836.55
General Government Services	104,725.00	91,033.13	13,691.87
Finance	8,500.00	12,614.67	-4,114.67
Central Services	100	99	1
Public Safety	132,110.00	126,817.33	5,292.67
Fire Control	7,300.00	7,439.03	-139.03
Culture & Recreation	66,015.00	69,344.07	-3,329.07
Swimming Pool	6,000.00	5,904.06	95.94
Town Parks	2,500.00	2,352.98	147.02
Non Expenditures		102.04	-102.04
Debt Service	2,247.00	2,218.00	29
Current Expense	466,647.00	421,237.76	45,409.24
Current Expense Cumulative Reserve	225,000.00	108,869.97	116,130.03
Streets	31,875.00	24,379.88	7,495.12
Library	32,550.00	34,178.52	-1,628.52
Cumulative Reserve Fire Department			
Total 001 - Current Expense	756,072.00	588,666.13	167,405.87
109 - Emergency Medical Services Cumulative Reserve	122,825.00	141,597.70	-18,772.70
402 - Water O/M Fund			
Water O/M Fund	525,400.00	462,893.96	62,506.04
Water Revenue Bond Redemption And Reserve	153,088.00	158,234.65	-5,146.65
Total 402 - Water O/M Fund	678,488.00	621,128.61	57,359.39
403 - Sewer O/M Fund			
Sewer O/M Fund	312,350.00	288,965.16	23,384.84
Sewer Revenue Bond Redemption And Reserve	268,817.00	263,814.42	5,002.58
Total 403 - Sewer O/M Fund	581,167.00	552,779.58	28,387.42
605 - Utility Deposit Report On	17,576.00	54,925.79	-37,349.79

Budgeted amounts are authorized to be transferred 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 Town's legislative body.

Budget was amended on 12/19/16 and increased by \$550,277.

D. Cash and Investments

See Note 3, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to 200 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 700 hours. Upon separation or retirement, employees receive payment for 10 % of unused sick leave. Payments are recognized as expenditures when paid. Compensatory time may be accumulated up to 40 hours and is payable upon separation or retirement.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The government's *Other Financing Sources or Uses* consist of external loans and transfers in.

I. Risk Management

The Town of Cathlamet 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, 2016, 258 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 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: Group Health Cooperative/Group Health 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 2016, 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 Group Health ISL at \$750,000 through Sun Life. 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.

J. Reserved Portion of Ending Cash and Investments

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

Reservations of Ending Cash and Investments consist of \$ 1,022,901.

Fund Name	Amount Reserved	Reason for Restriction
Fund 001	\$655,450	To support the current expense fund.
Fund 605	\$33,251	Utility deposits held per ordinance.
Fund 402	\$64,061	Revenue Bond restriction
Fund 403	\$303,389	Revenue Bond and loan requirements

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. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town's regular levy for the year 2016 was \$9.5915 per \$1,000 on an assessed valuation of \$58,232,283 for a total regular levy of \$558,534.94.

Note 3– Deposits and Investments

It is the Town's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds (or explain why you are a special snowflake).

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

Investments are reported at fair value. Investments by type at December 31, 2016 are as follows:

<u>Type of Investment</u>	The City's own investments	Investments held by the City as an agent for other local governments, individuals, or private organizations.	<u>Total</u>
LGIP	234,934		
<i>Total</i>	\$ 234,934		\$ 234,934
			-

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 and summarizes the Town debt transactions for year ended December 31, 2016.

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

	Principal	Interest	Total
2017	139,433.56	191,298.86	330,732.42
2018	142,950.00	186,937.54	329,887.54
2019	148,545.79	182,443.00	330,988.79
2020	152,253.49	197,761.60	350,015.09
2021	156,076.83	172,939.63	329,016.46
2022-2026	753,021.77	796,569.52	1,549,591.29
2027-2031	763,174.01	683,693.33	1,446,867.34
2032-2036	864,719.69	558,989.68	1,423,709.37
2037-2041	903,259.85	418,114.02	1,321,373.87
2042-2046	931,165.85	289,894.15	1,221,060.00
2047-2051	982,336.16	148,969.45	1,131,305.61
2052-2054	<u>529,844.19</u>	<u>22,017.25</u>	<u>551,861.44</u>
Totals	<u>6,466,781.19</u>	<u>3,849,628.03</u>	<u>10,316,409.22</u>

Note 5 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the Town'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 PERS 2 and PERS 3.

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
P.O. Box 48380
Olympia, WA 98540-8380

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

The Town also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

(VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2016 (the measurement date of the plans), the Town's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

			NPL	NPA
PERS 1 UAAL	\$ 5,370,471,000	0.002346%	\$ 125,991.25	
PERS 2/3	\$ 5,034,921,000	0.003002%	\$ 151,148.33	
LEOFF 1		0.000000%		\$ -
LEOFF 2		0.000000%		\$ -
VFFRPF	\$ 45,468	0.260000%		\$ - 118.22
<i>Total</i>			\$ 277,140	\$ - 118

Note 6 - Other Disclosures

Interlocal Agreements

The Town has an agreement with Wahkiakum County for law enforcement services costing \$74,180 for 2016.

The Town receives funding from Wahkiakum County for Swimming Pool operations and maintenance in the amount of \$20,000.00 and for Emergency Medical Services in the amount of \$10,000.00.

Contingent Liabilities –none

Litigation – none

**Town of Cathlamet
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						
263.81	USDA Loan - Columbia St.	8/2/2027	19,706	-	1,402	18,304
Total General Obligation Debt/Liabilities:			19,706	-	1,402	18,304
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated absences		22,490	8,985	-	31,475
264.30	Pension Liabilities		277,140	-	87,070	190,070
252.11	1982 Sewer Revenue Bond	2/1/2022	106,000	-	18,000	88,000
252.11	1999 Water Revenue Bond	1/28/2039	564,329	-	15,100	549,229
252.11	2009 Water Revenue Bond	8/1/2049	233,646	-	7,363	226,283
263.82	2004 Wastewater Facility upgrade	11/30/2027	208,363	-	17,545	190,818
263.82	USDA Loan WW Treatment Fac.	6/30/2053	4,733,551	-	74,607	4,658,944
263.82	USDA Subsequent WWTF loan	6/30/2053	336,469	-	5,417	331,052
Total Revenue and Other (non G.O.) Debt/Liabilities:			6,481,988	8,985	225,102	6,265,871
Total Liabilities:			6,501,694	8,985	226,504	6,284,175

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	USDA loan - Columbia St.	8/2/2027	21,066	-	1,359	19,707
Total General Obligation Debt/Liabilities:			21,066	-	1,359	19,707
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		29,926	-	6,997	22,929
264.30	Net Pension Liability		217,862	59,278	-	277,140
252.11	1982 Sewer Rev bond	2/1/2022	122,000	-	16,000	106,000
252.11	1999 Water Rev bond	1/28/2039	584,466	-	20,137	564,329
252.11	2009 Water Rev bond	8/1/2049	240,696	-	7,050	233,646
263.82	1996 WWTF Water Imp	7/1/2016	93,792	-	93,795	(3)
263.82	2004 Wastewater Facility upgrade	11/30/2027	225,646	-	17,283	208,363
263.82	USDA loan WWTF	6/30/2053	4,808,159	-	74,608	4,733,551
263.82	USDA subsequent WWTF loan	6/30/2053	349,159	-	12,689	336,470
Total Revenue and Other (non G.O.) Debt/Liabilities:			6,671,706	59,278	248,559	6,482,425
Total Liabilities:			6,692,772	59,278	249,918	6,502,132

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