



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Monroe

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

Published December 31, 2018

Report No. 1022791





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

December 31, 2018

Mayor and City Council
City of Monroe
Monroe, Washington

Report on Financial Statements

Please find attached our report on the City of Monroe'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 Monroe
January 1, 2017 through December 31, 2017**

Mayor and City Council
City of Monroe
Monroe, 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 Monroe, 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 December 11, 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 our opinions 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, sweeping initial "P".

Pat McCarthy

State Auditor

Olympia, WA

December 11, 2018

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

Mayor and City Council
City of Monroe
Monroe, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Monroe, 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 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 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 Monroe 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 Monroe, 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 Monroe, 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 December 11, 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.



Pat McCarthy

State Auditor

Olympia, WA

December 11, 2018

FINANCIAL SECTION

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

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2017

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

		Total for All Funds (Memo Only)	001 General Fund	105 Streets	109 Tourism
Beginning Cash and Investments					
30810	Reserved	2,332,183	290,942	-	76,897
30880	Unreserved	34,941,447	3,373,946	323,761	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	12,630,582	10,924,505	-	83,861
320	Licenses and Permits	1,005,703	806,562	199,141	-
330	Intergovernmental Revenues	1,384,148	611,525	432,214	-
340	Charges for Goods and Services	23,394,091	1,097,796	132,378	-
350	Fines and Penalties	283,163	283,163	-	-
360	Miscellaneous Revenues	2,534,088	79,169	6,853	737
Total Revenues:		41,231,774	13,802,720	770,586	84,598
Expenditures					
510	General Government	4,203,582	2,501,221	-	-
520	Public Safety	7,764,866	7,707,918	-	-
530	Utilities	10,556,175	-	-	-
540	Transportation	1,709,597	-	748,513	-
550	Natural and Economic Environment	1,305,624	1,231,426	-	74,198
560	Social Services	18,563	18,563	-	-
570	Culture and Recreation	1,538,761	1,323,568	-	-
Total Expenditures:		27,097,168	12,782,696	748,513	74,198
Excess (Deficiency) Revenues over Expenditures:		14,134,607	1,020,024	22,073	10,400
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	9,998,678	-	-	-
397	Transfers-In	2,277,013	1,129,200	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	24,690	-	-	-
381, 395, 398	Other Resources	13,089	6,174	-	-
Total Other Increases in Fund Resources:		12,313,470	1,135,374	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	6,232,443	38,937	-	-
591-593, 599	Debt Service	13,190,101	4,276	-	-
597	Transfers-Out	2,397,013	259,292	1,728	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	24,415	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		21,843,972	302,505	1,728	-
Increase (Decrease) in Cash and Investments:		4,604,105	1,852,893	20,345	10,400
Ending Cash and Investments					
5081000	Reserved	2,446,394	375,076	-	87,297
5088000	Unreserved	39,431,353	5,142,710	344,107	-
Total Ending Cash and Investments		41,877,747	5,517,786	344,107	87,297

The accompanying notes are an integral part of this statement.

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

	114 Narcotic/Drug Buy Fund	117 REET	203 Governmental Debt Fund	307 Capital Improvements CIP
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	27,104	1,165,923	4,100
388 / 588	Prior Period Adjustments, Net	-	-	6,451,859
Revenues				
310	Taxes	-	1,622,216	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	10,481	15,850	34
Total Revenues:		10,481	1,638,066	34
Expenditures				
510	General Government	-	-	-
520	Public Safety	8,831	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		8,831	-	-
Excess (Deficiency) Revenues over Expenditures:		1,650	1,638,066	34
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	223,193	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	223,193	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	251,491
591-593, 599	Debt Service	-	224,020	7,030
597	Transfers-Out	-	883,193	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	883,193	258,521
Increase (Decrease) in Cash and Investments:		1,650	754,873	(793)
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	28,754	1,920,795	3,307
Total Ending Cash and Investments		28,754	1,920,795	3,307
		6,252,996	6,252,996	6,252,996

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

		<u>317 Parks CIP Fund</u>	<u>318 Streets CIP Fund</u>	<u>319 North Kelsey Development</u>	<u>411 Water Maintenance & Operations</u>
Beginning Cash and Investments					
30810	Reserved	28,493	-	-	484,572
30880	Unreserved	947,885	857,413	1,397,086	6,498,860
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	29,324	286,085	-	-
340	Charges for Goods and Services	385,895	1,673,819	-	6,712,676
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	14,714	13,433	12,509	893,284
Total Revenues:		<u>429,933</u>	<u>1,973,337</u>	<u>12,509</u>	<u>7,605,960</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	16,040
530	Utilities	-	-	-	4,545,585
540	Transportation	-	315,971	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	215,193	-	-	-
Total Expenditures:		<u>215,193</u>	<u>315,971</u>	<u>-</u>	<u>4,561,625</u>
Excess (Deficiency) Revenues over Expenditures:		<u>214,740</u>	<u>1,657,366</u>	<u>12,509</u>	<u>3,044,335</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	2,899,617
397	Transfers-In	251,728	672,892	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	4,542
Total Other Increases in Fund Resources:		<u>251,728</u>	<u>672,892</u>	<u>-</u>	<u>2,904,159</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	363,755	1,510,076	33,482	969,366
591-593, 599	Debt Service	-	-	-	3,681,297
597	Transfers-Out	-	-	90,000	9,600
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>363,755</u>	<u>1,510,076</u>	<u>123,482</u>	<u>4,660,263</u>
Increase (Decrease) in Cash and Investments:		102,713	820,182	(110,973)	1,288,231
Ending Cash and Investments					
5081000	Reserved	30,221	-	-	489,580
5088000	Unreserved	1,048,870	1,677,594	1,286,113	7,782,088
Total Ending Cash and Investments		1,079,091	1,677,594	1,286,113	8,271,667

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

		421 Sewer Maintenance & Operations	431 Stormwater Maint & Operations	441 Solid Waste Maint & Operations	510 Information & Tech Services
Beginning Cash and Investments					
30810	Reserved	1,325,942	125,337	-	-
30880	Unreserved	7,071,591	1,466,140	1,389,990	259,783
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	25,000	-	-
340	Charges for Goods and Services	7,774,260	1,802,605	335,926	486,078
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,320,554	17,498	5,564	5,734
Total Revenues:		<u>9,094,814</u>	<u>1,845,103</u>	<u>341,490</u>	<u>491,812</u>
Expenditures					
510	General Government	-	-	-	445,579
520	Public Safety	16,039	16,038	-	-
530	Utilities	3,728,073	1,680,238	602,279	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>3,744,112</u>	<u>1,696,276</u>	<u>602,279</u>	<u>445,579</u>
Excess (Deficiency) Revenues over Expenditures:		5,350,702	148,827	(260,789)	46,233
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	6,299,167	799,894	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	24,690	-	-	-
381, 395, 398	Other Resources	866	1,507	-	-
Total Other Increases in Fund Resources:		<u>6,324,723</u>	<u>801,401</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,970,193	21,175	-	-
591-593, 599	Debt Service	8,272,938	1,000,540	-	-
597	Transfers-Out	15,600	8,400	1,129,200	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	24,415	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>10,283,146</u>	<u>1,030,115</u>	<u>1,129,200</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		1,392,279	(79,887)	(1,389,989)	46,233
Ending Cash and Investments					
5081000	Reserved	1,337,034	127,186	-	-
5088000	Unreserved	8,452,777	1,384,407	-	306,017
Total Ending Cash and Investments		9,789,812	1,511,593	-	306,017

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

		<u>520 Equipment & Fleet Management</u>	<u>530 Facilities Management</u>
Beginning Cash and Investments			
30810	Reserved	-	-
30880	Unreserved	3,619,260	86,746
388 / 588	Prior Period Adjustments, Net	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	1,792,789	1,199,869
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	65,990	12,026
Total Revenues:		<u>1,858,779</u>	<u>1,211,895</u>
Expenditures			
510	General Government	-	1,256,782
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	645,113	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		<u>645,113</u>	<u>1,256,782</u>
Excess (Deficiency) Revenues over Expenditures:		1,213,666	(44,887)
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:		<u>-</u>	<u>-</u>
Other Decreases in Fund Resources			
594-595	Capital Expenditures	1,073,968	-
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	-
581	Other Uses	-	-
Total Other Decreases in Fund Resources:		<u>1,073,968</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		139,698	(44,887)
Ending Cash and Investments			
5081000	Reserved	-	-
5088000	Unreserved	3,758,958	41,860
Total Ending Cash and Investments		<u>3,758,958</u>	<u>41,860</u>

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

	Total for All Funds (Memo Only)	Private-Purpose Trust	Agency	
308	Beginning Cash and Investments	2,413,255	1,992,826	420,429
388 & 588	Prior Period Adjustment, Net	-	-	-
310-390	Additions	2,171,783	1,361,976	809,807
510-590	Deductions	2,078,931	1,230,183	848,748
	Net Increase (Decrease) in Cash and Investments:	92,852	131,793	(38,941)
508	Ending Cash and Investments	2,506,109	2,124,619	381,490

The accompanying notes are an integral part of this statement.

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

Note 1 - Summary of Significant Accounting Policies

The City of Monroe was incorporated in 1902 and operates under the laws of the state of Washington applicable to a non-charter code city with a mayor-council form of government. The city is a general purpose local government and provides general government services including public safety, street improvements, parks and recreation, planning, zoning, building permits and general administrative services. In addition, the city owns and operates a sewer system and treatment plant, a water utility, and a stormwater system.

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

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

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 city 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 funds except fiduciary 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 follow:

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund #001	\$ 13,736,291	\$ 13,080,683	\$ (655,608)
Contingency Fund #002	90,000	90,000	\$ -
Donation Fund #008	6,700	4,511	\$ (2,189)
Street Fund #105	773,834	750,239	\$ (23,595)
Tourism Fund #109	110,517	74,198	\$ (36,319)
Narcoctics Fund #114	30,000	8,831	\$ (21,169)
Real Estate Excise Tax Fund #117	883,193	883,193	\$ -
N. Kelsey Debt Service Fund #203	224,021	224,020	\$ (1)
General Capital Projects #307	3,000,000	258,521	\$ (2,741,479)
Parks CIP Fund #317	744,163	578,947	\$ (165,216)
Streets CIP Fund #318	4,694,539	1,826,049	\$ (2,868,490)
N. Kelsey Development Fund #319	148,251	123,482	\$ (24,769)
Water Fund #411	9,010,830	8,687,408	\$ (323,422)
Water CIP Fund #412	1,745,001	1,284,032	\$ (460,969)
Sewer Fund #421	14,757,410	14,242,092	\$ (515,318)
Sewer CIP Fund #422	3,485,439	2,285,166	\$ (1,200,273)
Stormwater Fund #431	2,430,452	2,408,437	\$ (22,015)
Stormwater CIP Fund #432	531,605	317,951	\$ (213,654)
Solid Waste Fund #441	1,732,990	1,731,478	\$ (1,512)
Revenue Bond Reserve #450	50,000	-	\$ (50,000)
Info Tech Services Fund #510	532,476	445,578	\$ (86,898)
Fleet & Equipment Fund #520	1,917,656	1,719,081	\$ (198,575)
Facilities Management Fund #530	1,257,026	1,256,782	\$ (244)
Totals	\$61,892,394	\$52,280,680	\$ (9,611,714)

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city's legislative body. Variances from actual to appropriations in the CIP funds are due to the timing of construction project expenditures.

The city adopted the final amended budget on April 25, 2017 by ordinance number 010/2017. The following funds were amended by more than five (5) percent:

- Parks CIP Fund #317 – Moved \$50,000 from fund balance to appropriated expenditures for Lake Tye Park playground equipment and installation (as approved by council on 02/28/2017) and additional contingency appropriation for demo/pre-construction site work.

- Water Fund #411 – Both revenue and expenses were amended \$2,899,617 and \$2,916,126 respectively to accommodate the 2017 refunding bond issuance as approved by council on 11/15/2016 and subsequently issued on 03/22/2017 (see Note 4 Debt Service Requirements).
- Sewer Fund #421 – Both revenue and expenses were amended \$6,299,167 and \$6,335,030 respectively to accommodate the 2017 refunding bond issuance as approved by council on 11/15/2016 and subsequently issued on 03/22/2017 (see Note 4 Debt Service Requirements).
- Stormwater Fund #431 – Both revenue and expenses were amended \$799,894 and \$804,448 respectively to accommodate the 2017 refunding bond issuance as approved by council on 11/15/2016 and subsequently issued on 03/22/2017 (see Note 4 Debt Service Requirements).
- Solid Waste Fund #441 – Both revenue and expenses were amended \$343,000 and \$622,247 respectively due to timing of December 2016 billing receipts received in January 2017 and the related expenses paid in January 2017.

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 \$5,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Upon separation or retirement, the amount of hours of accrued vacation payout is as follows:

Clerical, Public Works & Parks, Supervisors, and Non-represented employees	100 hours maximum paid
Police Guild	200 hours maximum paid
Police Sergeants	Total of earned vacation leave (no maximum)

Upon separation or retirement, the amount of accrued sick leave paid out is as follows:

Non-represented employees hired before 1/1/13	75% of accrued sick leave paid
Non-represented employees hired after 1/1/13	No vested payments of accrued sick leave
Police Guild employees hired before 4/5/06	75% of accrued sick leave paid, with a maximum of 700 hours paid out
Police Guild employees hired after 4/5/06 and before 1/1/15	50% of accrued sick leave paid, with a maximum of 800 hours paid out
Police Guild employees hired after 1/1/15	No vested payments of accrued sick leave unless employment ends due to death, disability, layoff or retirement with 15 years of service
Clerical, Public Works & Parks, and Supervisors hired before 12/21/05	75% of accrued sick leave paid, with a maximum of 800 hours paid out

Clerical, Public Works & Parks, and Supervisors hired after 12/21/05 and before 1/1/13	50% of accrued sick leave paid, with a maximum of 800 hours paid out
Clerical, Public Works & Parks, and Supervisors hired after 1/1/13	No vested payments of accrued sick leave
Police Sergeant employees hired before 12/12/06	75% of accrued sick leave paid, with a maximum of 800 hours paid out
Police Sergeant employees hired after 12/12/06 and before 1/1/13	50% of accrued sick leave paid, with a maximum of 800 hours paid out
Police Sergeant employees hired after 1/1/13	Payout only if laid off, retire with 20 years of service, die or are disabled: 25% of accrued sick leave paid, with a maximum of 800 hours paid out

Payments are recognized as expenditures when paid. Upon separation or retirement, sick leave payouts are paid from the Sick Leave Reserve agency fund.

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 operating transfers-in and operating transfers-out, and the issuance and refunding of general obligation bonds, as well as the planned sale of city-owned real estate.

I. Risk Management

The City of Monroe 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 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 investigation, 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, and 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.

Further information on the WCIA can be obtained in writing to Washington Cities Insurance Authority, PO Box 88030, Tukwila, WA 98138.

The City of Monroe also maintains a Risk Management Reserve agency fund to cover unforeseen claims or deductibles. The current balance in this fund is \$143,820.

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 ordinance or resolution. 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:

- \$81,070 in the General Fund restricted for public safety expenditures. This is residual revenue from the photo enforcement program that was created with Ordinance 002/2007, and discontinued in 2014.
- \$294,006 in the General Fund restricted for public safety expenditures. This is excess of revenues over expenditures from a public safety sales tax levy of 0.1% that was enacted by voters in 2013, which took effect January 1, 2014.
- \$87,297 in the Tourism Special Revenue Fund. This money is from lodging tax revenue and is restricted in how it can be spent by state law.
- \$30,221 in the Parks CIP Fund. This is the accumulation of 0.42% of the fuel tax revenue received each year. By state statute this revenue must be spent on paths and trails.
- \$489,580 in the Water Fund is reserved to comply with the revenue bond covenants in the bond ordinances for the 2005 Revenue Bonds and the 2011 Revenue Bonds.
- \$1,337,034 in the Sewer Fund is reserved to comply with the revenue bond covenants in the bond ordinances for the 2005 Revenue Bonds, the 2009 Revenue Bonds, and the 2011 Revenue Bonds.

- \$127,186 in the Stormwater Fund is reserved to comply with the revenue bond covenants in the bond ordinance for the 2011 Revenue Bonds.

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

The city’s regular levy for the year 2017 was \$1.29429627575 per \$1,000 on an assessed valuation of \$1,991,598,893 for a total regular levy of \$2,577,719.

Note 3 – 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 are covered by the Federal Deposit Insurance Corporation or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the city or its agent in the government’s name.

Investments are reported at original cost. Investments by type at December 31, 2017 are as follows:

<u>Type of Investment</u>	City’s own investments	Investments held by the city as an agent for other local governments, individuals or private organizations.	Total
L.G.I.P.	\$ 4,825,549	\$0	\$ 4,825,549
Money Market (Opus Bank)	9,613,371	0	9,613,371
U.S. Government Securities	<u>26,247,810</u>	<u>0</u>	<u>26,247,810</u>
Total	<u>\$40,686,730</u>	<u>\$0</u>	<u>\$40,686,730</u>

Note 4 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the 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, Department of Ecology Loans, and capital leases are as follows:

	Principal	Interest	Total
2017	2,241,770	895,856	3,137,626
2018	3,425,426	949,756	4,375,182
2019	2,176,675	865,605	3,042,280
2020	5,101,085	794,900	5,895,985
2021	2,334,592	652,824	2,987,416
2022-2026	6,695,197	2,379,856	9,075,053
2027-2031	6,530,000	1,164,000	7,694,000
2032-2036	1,800,000	222,000	2,022,000
Totals	30,304,746	7,924,798	38,229,543

Debt Refunding

In 2010 the city issued LTGO bonds in the amount of \$11,345,000 to pay off the bank loan for the North Kelsey property. In 2012 the city refinanced \$6,500,000 of these bonds by issuing new bonds in the amount of \$6,570,000. The city's plan is to pay off the debt with proceeds from the sale of land in the North Kelsey area. In 2013 the city paid off \$7,345,000 of the bonds from land sales, and is actively marketing the remainder of the south portion of the North Kelsey area through a real estate broker.

In 2015 the city issued \$4,140,000 of general obligation refunding bonds to retire \$4,070,000 of existing 2012 general obligation series bonds. This refunding was undertaken to pay off bonds maturing November 1, 2015 and pay the administrative costs of the refunding and the costs of issuing the Bonds. 2015 financial statements reflected debt proceeds of \$4,140,000 and debt service of \$4,136,677 pertaining to this transaction.

On March 22, 2017 the city issued \$9,000,000 of revenue refunding bonds to retire \$1,170,000 principal of the 2009 Revenue Bonds and \$7,660,000 principal of the 2011 Revenue Bonds. This refunding was undertaken to take advantage of lower interest rates, thereby reducing total debt service payments over the next 15 years by approximately \$545,000. The financial statements reflect debt proceeds of \$2,899,617 in Fund 411 Water Maintenance and Operations, \$6,299,167 in Fund 421 Sewer Maintenance and Operations, and \$799,894 in Fund 431 Stormwater Maintenance and Operations pertaining to this transaction. The financial statements reflect other debt uses of \$2,374,600 in Fund 411, \$5,766,000 in Fund 421, and \$689,400 in Fund 431 pertaining to this transaction.

Capital Lease

In September 2016 the city entered into a three year capital lease for police department body cameras. The total amount of the lease purchase agreement is \$12,212.86. Three annual payments are to be made in the amount of \$4,308.30. The first payment was made at closing, and the two subsequent payments will include total interest payments of \$712.04.

Note 5 – Pension Plans

A. State Sponsored 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) Plans 1, 2 and 3, or Law Enforcement and Fire Fighters Retirement System (LEOFF).

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.

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

	Allocation %	Liability (Asset)
PERS 1	0.002949%	\$139,932
PERS 1 UAAL	0.046646%	\$2,213,389
PERS 2 and 3	0.059998%	\$2,084,644
LEOFF 1	0.007155%	(\$108,557)
LEOFF 2	0.098903%	(\$1,372,453)

LEOFF Plan 1

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.

LEOFF Plan 2

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 be changed by statute.

B. Other Pension Plans

Each bargaining unit of city employees in the Teamster union (Office-Clerical Employees, Supervisory Employees, Public Works and Parks Employees, and Sergeants) has independently voted to also be in the Western Conference Teamsters Pension Trust (WCTPT). Each unit votes on the hourly amount they will contribute to the pension fund. Each unit negotiates with the city on an amount the city will contribute

hourly to this pension fund. This is paid monthly. There is no unfunded liability on the city's part. This is merely an additional benefit on top of the PERS system. The city currently pays into the WCTPT on account of each member of the bargaining unit, sixty-one cents (\$0.61) for each hour compensated, except for the Sergeants union, which receives seventy-five cents (\$0.75) for each hour compensated and the Supervisors which receive sixty cents (\$0.60). Effective 1/1/18, all unions except the Supervisors and Sergeants will receive sixty-eight cents (\$0.68) for each hour compensated. Effective 1/1/18, the Supervisors will receive sixty-five cents (\$0.65) and the Sergeants will receive eighty cents (\$0.80) for each hour compensated. In 2017 the city paid a total of \$85,885 to the WCTPT for its portion of the contribution.

Additional information can be obtained by writing to Western Conference of Teamster Pension Plan, 2323 Eastlake Avenue East, Seattle, WA 98102.

Note 6 – Significant Commitments or Obligations

A. Other Post-Employment Benefits (OPEB)

The city has a commitment to pay for post-employment benefits for employees that belong to LEOFF 1. These benefits include medical, vision, nursing care, prescriptions, and medical premiums. Three retirees received benefits during the year. A former employee, who is not retired but is no longer employed by the city, has a severance agreement that commits the city to the same post-employment benefits as a LEOFF 1 retiree. A total of \$23,884 was paid out for all post-employment benefits during the year.

B. Construction Commitment

The city has active construction projects as of December 31, 2017. At year-end the city's commitments with contractors are as follows:

Project	\$ Spent before 01/01/2017	\$ Spent between 01/01/2017 & 12/31/2017	Future \$ under contract as of 12/31/17	Future \$ not under contract at year end
2017 Street Chip Seal	\$ -	\$ 45,830.17	\$ -	\$ -
2017 Street Overlay TIB	\$ -	\$ 717,849.70	\$ 10,544.12	\$ -
2017 Street Overlay TBD	\$ -	\$ 728,231.50	\$ 114,370.73	\$ -
Air Field Waterline Replacement	\$ -	\$ 10,789.40	\$ -	\$ 318,558.90
Dickinson Utility Replacement		\$ 16,261.80	\$ -	\$ -
Powell Sewer	\$ 83,381.83	\$ 272,706.95	\$ 12,308.19	\$ -
RR Crossing Sidewalk	\$ -	\$ 1,025.20	\$ -	\$ 185,367.41
Smith & Park	\$ -	\$ 32,269.46	\$ -	\$ 980,000.00
Tester Road Water Main Replacement	\$ -	\$ 739,425.56	\$ -	\$ 138,247.27
Woods Creek Road Phase 1	\$ 1,607,018.16	\$ (58,684.26)	\$ -	\$ -
WWTP Outfall Repair	\$ 17,516.48	\$ 245,821.84	\$ -	\$ -
WWTP Energy Conservation II	\$ 2,814,589.05	\$ 1,537,795.72		
Totals	\$ 4,522,505.52	\$ 4,289,323.04	\$ 137,223.04	\$ 1,622,173.58

All construction projects are funded through awarded grants, impact fees, capital utility fees, utility revenues, and/or excise taxes. There are no unfunded contract commitments.

Note 7 – Join Ventures and Jointly Governed Organizations

SNOPAC:

The city and other police and fire entities (currently 37) operate jointly the Snohomish County Police Staff and Auxiliary Services Center (SNOPAC). SNOPAC, a cash basis special purpose district, was created under the Interlocal Cooperation Act, as codified in RCW 39.34. This established the statutory authority necessary for Snohomish County, the cities, towns, fire districts, police districts, and other service districts to enter into a contract and agreement to jointly establish maintain, and operate a support communications center. Control of SNOPAC is with an 11 member Board of Directors which is specified in the Interlocal Agreement. SNOPAC takes 911 calls, and performs emergency dispatch services for local governmental agencies including police, fire, and medical aid.

In the event of the dissolution of SNOPAC, any money in the possession of SNOPAC or the Board of Directors after payment of all costs, expenses, and charges validly incurred under this Agreement, shall be returned to the parties to this Agreement in proportion to their contribution during the fiscal year of dissolution. Before deducting the payment of all costs, expenses, and charges validly incurred, the city's share was \$514,197 on December 31, 2017.

Complete financial statements for SNOPAC can be obtained from SNOPAC's administrative office at 1121 SE Everett Mall Way, Suite 200, Everett, WA 98208.

French Slough Flood Control District:

In December 2010 the city entered into an interlocal agreement with the French Slough Flood Control District to replace a 1992 interlocal agreement with the Snohomish County Drainage Improvement Districts Number 4 and 4A and the French Slough Flood Control District. The agreement is to maintain a Joint Advisory Board for the purpose of improving communications regarding their combined drainage system and service area. The city maintains the property that is within the district boundary and city limits. The district maintains the property that is within the district boundary and not the city limits. The two areas of responsibility are mutually exclusive.

The Joint Advisory Board meets not less than four times annually to recommend the annual budget of the drainage system. Approximately 27.73% of the land in the Flood District is in city limits, therefore the city pays 27.73% of the assessments each year to the District. The city's annual assessment for 2017 was \$103,793 and was paid from the Stormwater Utility Fund #431.

The 2010 agreement had an initial term of five years with three additional renewal periods of five years each. Either party may terminate the agreement with 180 days written notice to the other party.

Note 8 – Other Disclosures

In 2012 the Monroe City Council adopted an ordinance to create a Transportation Benefit District (TBD), with the same boundaries as the city limits. Per the ordinance, funding sources for this district can only be created through a vote of the citizens of Monroe, regardless of the type of revenue source. The board is comprised of whoever are the current residing city council members. In 2014 the citizens voted to impose a 0.2% sales tax to fund street related projects. The sales tax levy commenced January 1, 2015. \$786,778 in sales tax revenue was collected by the district in 2015, \$1,058,999 in sales tax revenue was collected in 2016, and \$1,220,039 was collected in 2017. The TBD reports their financial activity to the state auditor's office as a separate entity from the city.

On September 20, 2016, the City of Monroe entered into an interlocal agreement with Snohomish County Fire Protection District #7 to transfer ownership of fire service related real and personal property to the

district. The property was surplus to the City's needs and had been in the custody and control of the fire district serving the City. There was no cash exchanged with the property transfer. The value received by the City was the continued use of the property for fire protection services and the elimination to the City of liability risk associated with the transferred property. If at some time in the future the property is sold by the fire district, compensation would be due to the City, to be determined at the time of sale.

City of Monroe
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						
251.11	2015 GO Refunding Bonds - N. Kelsey	9/1/2020	4,140,000	-	-	4,140,000
251.11	2016 Revenue Bonds - PW Shop	12/1/2036	1,900,600	-	68,000	1,832,600
263.51	Capital Lease - Police Body Cameras	9/30/2018	7,905	-	4,276	3,629
Total General Obligation Debt/Liabilities:			6,048,505	-	72,276	5,976,229
Revenue and Other (non G.O.) Debt/Liabilities						
263.88	Public Works Trust Fund Loan	6/1/2017	62,797	-	62,794	3
263.88	Public Works Trust Fund Loan	6/1/2022	810,868	-	135,144	675,724
263.82	Department of Ecology Loan	9/5/2022	2,123,003	-	340,747	1,782,256
263.82	Department of Ecology Loan	7/30/2022	414,075	-	36,259	377,816
252.11	2005 W&S Refunding Bonds	12/1/2021	2,640,000	-	487,000	2,153,000
252.11	2009 W&S Refunding Bonds	8/1/2019	1,765,000	-	1,360,000	405,000
252.11	2011 W/S/Storm Revenue Bonds	12/1/2023	12,545,000	-	8,295,000	4,250,000
252.11	2016 Revenue Bonds - PW Shop	12/1/2036	3,689,400	-	132,000	3,557,400
252.11	2017 Revenue Bonds - Partial refunding 2009 & 2011 Bonds	12/1/2031	-	9,000,000	115,000	8,885,000
259.12	Compensated Absences		2,064,936	61,340	-	2,126,276
264.30	Net Pension Liabilities		5,589,057	-	1,151,092	4,437,965
Total Revenue and Other (non G.O.) Debt/Liabilities:			31,704,136	9,061,340	12,115,036	28,650,440
Total Liabilities:			37,752,641	9,061,340	12,187,312	34,626,669

The accompanying notes are an integral part of this statement.

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