



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Quincy

For the period January 1, 2018 through December 31, 2018

Published October 31, 2019

Report No. 1024892





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

October 31, 2019

Mayor and City Council
City of Quincy
Quincy, Washington

Report on Financial Statements

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

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

Sincerely,

A handwritten signature in black ink 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 Quincy
January 1, 2018 through December 31, 2018**

Mayor and City Council
City of Quincy
Quincy, 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 Quincy, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated October 8, 2019.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's

internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

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Pat McCarthy

State Auditor

Olympia, WA

October 8, 2019

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Quincy January 1, 2018 through December 31, 2018

Mayor and City Council
City of Quincy
Quincy, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Quincy, for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 11.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Quincy 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 cash and investments of the City of Quincy, and its changes in cash and investments, for the year ended December 31, 2018, 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 Quincy, as of December 31, 2018, 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 October 8, 2019 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in 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

October 8, 2019

FINANCIAL SECTION

City of Quincy January 1, 2018 through December 31, 2018

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2018
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2018
Notes to the Financial Statements – 2018

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2018

City of Quincy
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		Total for All Funds (Memo Only)	001 Current Expense Fund	101 Library Fund	102 Street Fund
Beginning Cash and Investments					
30810	Reserved	4,786,552	127,424	5,165	1,034,454
30880	Unreserved	18,742,569	7,825,435	-	3,785,003
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	9,844,164	7,492,944	-	1,977,486
320	Licenses and Permits	2,526,964	2,029,805	-	-
330	Intergovernmental Revenues	824,316	466,214	-	247,658
340	Charges for Goods and Services	12,743,334	1,276,204	1,698	2,304
350	Fines and Penalties	3,063	3,063	-	-
360	Miscellaneous Revenues	1,314,064	146,873	31,917	897,980
Total Revenues:		27,255,904	11,415,105	33,615	3,125,429
Expenditures					
510	General Government	1,607,657	616,716	-	-
520	Public Safety	4,606,741	4,606,741	-	-
530	Utilities	6,647,382	-	-	-
540	Transportation	992,607	-	-	789,749
550	Natural and Economic Environment	414,033	395,033	-	-
560	Social Services	78,904	78,904	-	-
570	Culture and Recreation	1,001,342	929,976	48,535	-
Total Expenditures:		15,348,665	6,627,370	48,535	789,749
Excess (Deficiency) Revenues over Expenditures:		11,907,238	4,787,733	(14,920)	2,335,679
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	6,435,502	19,418	13,000	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	4,446,435	277,406	-	-
Total Other Increases in Fund Resources:		10,881,937	296,824	13,000	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	13,781,351	515,266	-	590,632
591-593, 599	Debt Service	2,159,116	100	-	97
597	Transfers-Out	6,435,502	4,670,684	-	229,774
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	4,363,039	4,157,917	-	-
Total Other Decreases in Fund Resources:		26,739,008	9,343,968	-	820,503
Increase (Decrease) in Cash and Investments:		(3,949,833)	(4,259,411)	(1,920)	1,515,176
Ending Cash and Investments					
5081000	Reserved	5,540,259	129,733	3,244	2,540,342
5088000	Unreserved	14,039,030	3,563,716	-	3,794,292
Total Ending Cash and Investments		19,579,289	3,693,449	3,244	6,334,633

The accompanying notes are an integral part of this statement.

City of Quincy
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		110 Tourist/visitor Fund	112 Capital Improvements Fund	116 Sidewalk Improvement Fund	301 PD/Admin Facility Project
Beginning Cash and Investments					
30810	Reserved	78,659	1,211,628	1,354,355	-
30880	Unreserved	-	-	-	4,073
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	36,809	168,463	168,462	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,334	17,691	24,566	13
Total Revenues:		38,143	186,153	193,028	13
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	19,000	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	22,830	-	-	-
Total Expenditures:		41,830	-	-	-
Excess (Deficiency) Revenues over Expenditures:		(3,687)	186,154	193,028	13
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	85,779
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	85,779
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	36,392	89,866
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	1,000,000	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	1,000,000	36,392	89,866
Increase (Decrease) in Cash and Investments:		(3,687)	(813,846)	156,637	(4,074)
Ending Cash and Investments					
5081000	Reserved	74,972	397,781	1,510,991	-
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		74,972	397,781	1,510,991	-

City of Quincy
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		304 Public Safety Facility Project	305 Recreation Center Project	307 City Hall Project	401 Water Fund
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	10,010	10,035	10,016	4,144,074
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	1,771,878
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	48	53	57	92,512
Total Revenues:		48	53	57	1,864,390
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	1,514,721
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	1,514,721
Excess (Deficiency) Revenues over Expenditures:		48	53	57	349,669
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	3,325,290	41,226	2,790,289	160,500
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	2,000
Total Other Increases in Fund Resources:		3,325,290	41,226	2,790,289	162,500
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,325,347	41,314	2,790,362	1,273,311
591-593, 599	Debt Service	-	-	-	39,864
597	Transfers-Out	-	-	-	182,677
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		3,325,347	41,314	2,790,362	1,495,852
Increase (Decrease) in Cash and Investments:		(9)	(35)	(16)	(983,683)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	10,001	10,000	10,000	3,160,391
Total Ending Cash and Investments		10,001	10,000	10,000	3,160,391

City of Quincy
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		406 Industrial Sewer Operating	410 Domestic Sewer Fund	420 Refuse Division	501 Fleet Maintenance
Beginning Cash and Investments					
30810	Reserved	860,463	114,403	-	-
30880	Unreserved	337,791	2,250,662	310,702	36,014
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	497,158	-	-	-
330	Intergovernmental Revenues	110,443	-	-	-
340	Charges for Goods and Services	5,074,545	1,971,643	1,382,544	209,555
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	44,814	47,112	8,105	545
Total Revenues:		5,726,960	2,018,756	1,390,649	210,100
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	2,968,781	818,709	1,345,170	-
540	Transportation	-	-	-	202,858
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,968,781	818,709	1,345,170	202,858
Excess (Deficiency) Revenues over Expenditures:		2,758,179	1,200,046	45,479	7,242
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	4,157,917	9,112	-	-
Total Other Increases in Fund Resources:		4,157,917	9,112	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	4,939,154	123,151	-	6,801
591-593, 599	Debt Service	1,745,286	373,768	-	-
597	Transfers-Out	165,590	97,322	83,556	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	205,122	-	-	-
Total Other Decreases in Fund Resources:		7,055,151	594,241	83,556	6,801
Increase (Decrease) in Cash and Investments:		(139,055)	614,917	(38,077)	442
Ending Cash and Investments					
5081000	Reserved	750,511	132,684	-	-
5088000	Unreserved	308,688	2,847,299	272,624	36,456
Total Ending Cash and Investments		1,059,199	2,979,983	272,624	36,456

City of Quincy
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		502 Insurance Fund	503 Central Services
Beginning Cash and Investments			
30810	Reserved	-	-
30880	Unreserved	18,196	559
388 / 588	Prior Period Adjustments, Net	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	534,052	518,911
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	225	218
Total Revenues:		534,277	519,129
Expenditures			
510	General Government	539,448	451,492
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		539,448	451,492
Excess (Deficiency) Revenues over Expenditures:		(5,171)	67,637
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	-
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	-	-
381, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		-	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	-	49,757
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	5,900
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	-
581	Other Uses	-	-
Total Other Decreases in Fund Resources:		-	55,657
Increase (Decrease) in Cash and Investments:		(5,171)	11,980
Ending Cash and Investments			
5081000	Reserved	-	-
5088000	Unreserved	13,024	12,539
Total Ending Cash and Investments		13,024	12,539

City of Quincy
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		Total for All Funds (Memo Only)	Private-Purpose Trust	Agency
308	Beginning Cash and Investments	32,015	13,850	18,165
388 & 588	Prior Period Adjustment, Net	-	-	-
310-390	Additions	27,612	6,300	21,312
510-590	Deductions	24,665	5,600	19,065
	Net Increase (Decrease) in Cash and Investments:	2,947	700	2,247
508	Ending Cash and Investments	34,963	14,550	20,413

The accompanying notes are an integral part of this statement.

City of Quincy
Notes to the Financial Statements
For the year ended December 31, 2018

Note 1 - Summary of Significant Accounting Policies

The City of Quincy was incorporated on March 27, 1907, and operates under the laws of the state of Washington applicable to a non-charter code city. The City of Quincy is a general purpose local government and provides public safety, fire prevention, street improvement, parks, recreation, health and social services, and general administrative services. In addition, the city owns and operates water and sewer systems; and collects refuse.

The City of Quincy 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, except for fiduciary funds, which are presented by fund types. The total column is presented a "memo only" because any interfund activities are not eliminated. 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.

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.

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Custodial 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 of Quincy also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 3, *Deposits and Investments*.

D. Capital Assets

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

E. Compensated Absences

Vacation leave may be accumulated up to 29 days for union employees and up to 35 days for non-union employees, depending upon years of service, and is payable upon separation or retirement.

Sick leave may be accumulated 720 hours for Teamsters, Excluded and Exempt classifications. Upon separation or retirement employees do not receive payment for unused sick leave.

Sick leave may accumulate up to 960 hours for Police Guild classification. Upon separation or retirement Quincy Police Officers Association employees do receive payment for unused sick leave per the bargaining agreement at 10% after 10 years of employment and at 10% and 25% upon retirement. No “cash out” for just cause disciplinary termination. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 6, *Debt Service Requirements*.

G. 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 City of Quincy intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of the following for the 2018 fiscal year:

- **Bond Reserve Fund 404**, \$740,510 - funds committed by Ordinance 05-153.
- **USDA Bond Reserve Fund 417** - \$132,684 - Required to deposit 10% of the semi- annual payment for the next 10 years to a total 161,238 - funds committed by Ordinance 10-280.
- **Reuse Construction Fund 460** - \$10,001 – **QMC 3.50.460 Reuse Construction Fund**. The Reuse Construction Fund is established as BARS Fund 460 to receive and dispense all revenues and expenditures needed for the engineering and construction of the City’s reuse project.
- **Police Reserve Fund 109**, \$129,733 – Funds primarily are received through a Federal Direct Grant from the Department of Justice for Bulletproof Vests. **QMC 3.50.109 Police Department Reserves Fund**. The Police Department Reserve Fund is established as BARS Fund 109 to accumulate funds from year to year for purchasing radios, vehicles and equipment for the City’s Police Department. This fund is rolled into Current Expense Fund 001 since it no longer meets the requirements of a Special Revenue Fund.
- The Special Revenue Funds:
 - **Library Fund 101**, \$1,613 – Funds received from NCRL specific to Library. **QMC 3.50.101 Library Fund**. The Library Fund is established as BARS Fund 101 to accumulate funds from year to year, for operating and maintaining the City’s library over and above the cost paid by the North Central Regional Library District, or as determined by the City Council from time to time.
 - **Street Fund 102**, \$260,699 - State distributed taxes on motor vehicle fuels, to be used for cities purposes. Distribution is based on population. RCW 46.68.110(4), RCW 47.24.040, Chapter 35.76 RCW. **QMC 3.50.102 Street Fund**. The Street Fund is established pursuant to RCW 35.76 as BARS Fund 102 for the purpose of operating and maintaining the City’s streets, rights-

- of-way and alleys.
- **Street Construction Fund 103**, \$2,279,642 – Funds from TIB Grant and other Specific Projects. This balance includes \$797,809 from two development agreements for future road improvements. **QMC 3.50.103 Street Reserve Fund.** The Street Construction Reserve Fund is established pursuant to RCW 35.21.070 as BARS Fund 103 to accumulate moneys from year to year to be expended for the construction of City streets, rights-of-way, alleys and related improvements.
- **Library Reserve Fund 108**, \$1,631 – Funds in the Reserve are transferred from the Library 101 Fund and are Library specific through monies received from North Central Regional Library (NCRL). **QMC 3.50.108 Library Reserve Fund.** The Library Reserve Fund is established as BARS Fund 108 to accumulate funds from year to year for purchasing books, equipment and related items for library use, and improvements to the City’s library, as determined by the City Council from time to time, which may be based on recommendations regarding the accumulation and expenditures in the Library Reserve Fund, by the Library Advisory Board. Any money or property given to or for the use or benefit of the City’s library shall be held in the Library Reserve Fund and used according to the terms of the gift, or this section, in the event the terms of the gift are not specific.
- **Tourist/Visitor Fund 110**, \$74,972 – Funds received from local hotel/motel tax (RCW 67.28.180) and special local hotel/motel tax (Chapters 67.28, 67.40, 35.101 and 36.100 RCW). Lodging Tax Advisory Board determines how the money will be utilized. **QMC 3.50.110 Tourism/Visitor Fund.** The Tourism Fund is established as BARS Fund 110 to receive and accumulate the proceeds from the special excise tax levied by the authority of Chapter 3.24, with said moneys to be used solely for the purpose of paying all or any part of the costs of tourist promotion, acquisition of tourism related facilities, or operation of tourism related facilities or to pay for any other uses as authorized in RCW 67.28, and any amendments thereto.
- **Capital Improvement Fund 112**, \$397,781 - An excise tax imposed on the sale of real property and dedicated to local capital projects identified in RCW 82.46.010 and RCW 82.45.180. Proceeds should be placed in the capital projects fund (RCW 82.46.030). **QMC 3.50.112 Capital Improvements Fund.** The Capital Improvements Fund is established as BARS Fund 112 to receive and accumulate the proceeds from the real estate excise tax authorized by section 3.26.010 to finance capital projects specified in the capital facilities plan element of the City’s comprehensive plan, as authorized by RCW 82.46.010(A), and any amendments thereto. This fund number will change to 312 for the 2019 Annual Report.
- **Sidewalk Improvement Fund 116** - \$1,510,991. An excise tax imposed on the sale of real property and dedicated to local capital projects identified in RCW 82.46.010 and RCW 82.45.180. Proceeds should be placed in the capital projects fund (RCW 82.46.030). **QMC 3.50.116 Sidewalk Improvements Fund.** The Sidewalk Improvements Fund is established as BARS Fund 116 to receive and accumulate the proceeds from the additional real estate excise tax authorized by section 3.26.010(B), for the financing capital projects related to the City’s sidewalks, as specified in the capital facilities plan element of the City’s comprehensive plan, as authorized by RCW 82.46.035, as presently adopted and subject to any amendments thereto. This fund number will change to 316 for the 2019 Annual Report.

H. Other Financing Sources or Uses

The government’s *Other Financing Sources or Uses* consist of transfers in and out between funds and debt services.

Note 2 – Budget Compliance

The City of Quincy 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 follow:

Fund	Final Appropriated Amount	Actual Expenditures	Variance
001 Current Expense Fund	\$19,652,247.00	\$15,988,590.83	\$3,663,656.17
101 Library Fund	\$49,786.67	\$48,535.36	\$1,251.31
102 Street Fund	\$4,247,877.83	\$1,248,131.68	\$2,999,746.15
103 Street Construction Reserve	\$5,177,159.11	\$362,120.84	\$4,815,038.27
104 Equipment Reserve Fund	\$71,044.76	\$34,071.31	\$36,973.45
105 Park Reserve Fund	\$34,061.04	\$0.00	\$34,061.04
106 Fire Dept. Reserve Fund	\$113,050.46	\$0.00	\$113,050.46
107 Contingency Fund	\$138,853.39	\$0.00	\$138,853.39
108 Library Reserve	\$1,612.21	\$0.00	\$1,612.21
109 Police Dept. Reserve Fund	\$127,824.33	\$0.00	\$127,824.33
110 Tourist/visitor Fund	\$118,859.49	\$41,830.04	\$77,029.45
111 Mechanic Shop Reserve Fund	\$12,889.13	\$0.00	\$12,889.13
112 Capital Improvements Fund	\$1,232,627.83	\$1,000,000.00	\$232,627.83
113 Drug Education/prevention	\$36,008.83	\$6,508.13	\$29,500.70
116 Sidewalk Improvement Fund	\$1,375,354.65	\$36,391.50	\$1,338,963.15
117 LEOFF I	\$227,058.69	\$10,476.89	\$216,581.80
301 PD/Admin Facility Project	\$94,073.24	\$89,865.50	\$4,207.74
304 Public Safety Facility Project	\$4,400,009.59	\$3,325,346.93	\$1,074,662.66
305 Recreation Center Project	\$260,034.59	\$41,313.68	\$218,720.91
307 City Hall Project	\$3,582,448.09	\$2,790,361.75	\$792,086.34
401 Water Fund	\$6,722,163.39	\$3,004,743.69	\$3,717,419.70
404 W/S Bond Redemption	\$1,669,479.72	\$1,669,479.72	\$0.00
403 Water Repair & Replacement	\$486,847.30	\$39,811.27	\$447,036.03
404 W/S Bond Reserve	\$740,510.35	\$0.00	\$740,510.35
405 Water Reclamation & Ind'l Reuse Utility Fund	\$3,125,791.33	\$2,970,680.80	\$155,110.53
406 Industrial Sewer Operating	\$3,088,105.84	\$3,000,501.95	\$87,603.89
407 Domestic Sewer R&R Fund	\$452,452.45	\$0.00	\$452,452.45
409 Pre-Treatment Fund	\$437,539.77	\$415,590.79	\$21,948.98
410 Domestic Sewer Fund	\$3,415,730.72	\$1,450,074.05	\$1,965,656.67
415 USDA Equipment Reserve	\$170,292.94	\$0.00	\$170,292.94
416 USDA Bond Fund	\$161,238.00	\$161,238.00	\$0.00
417 USDA Bond Reserve Fund	\$130,827.25	\$0.00	\$130,827.25

420 Refuse Division	\$1,598,128.54	\$1,428,726.07	\$169,402.47
460 Reuse Construction Fund	\$10,551,316.76	\$3,637,158.84	\$6,914,157.92
501 Fleet Maintenance	\$245,837.40	\$209,658.07	\$36,179.33
502 Insurance Fund	\$564,347.71	\$539,448.39	\$24,899.32
503 Central Services	\$540,523.49	\$507,148.92	\$33,374.57

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

Actual expenditures by fund do not represent the total actual expenditures by the City due to several managerial funds that have been established that are rolled to meet the BARS requirements as prescribed by the WA State Auditor's Office under RCW 43.09. See Note 10, *Other Disclosures*.

Note 3 – Deposits and Investments

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

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/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 cost for both the Local Government Investment Pool (LGIP) and the US Government Securities. Investments by type at December 31, 2018 are as follows:

Type of Investment	City's Own investments	Investments held by city as an agent for other local governments, individuals or private organizations	Total
L.G.I.P.	\$11,735,651.52	\$	\$11,735,651.52
Grant County Local Investment Pool (GCLIP)	\$3,051,334.82		\$3,051,334.82
GCLIP Hospital Warrants Investment	\$1,000,000.00		\$1,000,000.00
U.S. Government Securities	\$3,499,603.55		\$3,499,603.55
Other			
Total	19,286,589.89		19,286,589.89

The City and Grant County entered into an interlocal investment service agreement for the City to invest \$1,000,000 with the County for a share of Grant County Hospital District #2 Warrants. The annual rate of interest on the Hospital Warrant is 3.5%.

Note 4 - 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 City. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City of Quincy's regular levy for the year 2018 was \$1.5645107837 per \$1,000 on an assessed valuation of \$2,739,844,183 for a total regular levy of \$4,286,515.77.

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2018:

Borrowing	Lending	Balance			Balance
<u>Fund</u>	<u>Fund</u>	<u>1/1/2018</u>	<u>New Loans</u>	<u>Repayments</u>	<u>12/31/2018</u>
460	410	\$910,606			\$910,606
460	001	\$4,800,000	\$2,839,801		\$7,639,801
460	401	\$200,000			\$200,000
409	001	\$135,360		\$135,360	0
405	001	0	\$1,303,174		\$1,303,174
	TOTALS	\$6,045,966	\$4,142,975	\$135,360	\$10,053,581

The City setup the Fund 460 Reuse Construction fund to manage the funds for the construction of the Reuse Facility. In 2016, the City transferred the interfund loans from the Fund 405 to the Fund 460 for the City's Reuse Facility. Resolution 15-362 sets annual interest payment at 1% until the completion of the project and a principal and interest payment schedule is established. Interfund loans were budgeted to be paid off in 2018 upon receipt of Public Works Trust Fund (PWTF) Loan, however, money from the PWTF did not arrive in 2018.

Note 6 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City of Quincy and summarizes the City's debt transactions for year ended December 31, 2018.

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

Year	Principal	Interest	Total
2019	\$1,470,934	\$572,284	\$2,043,218
2020	\$1,531,265	\$511,954	\$2,043,219
2021	\$902,553	\$464,037	\$1,366,590
2022	\$866,178	\$438,900	\$1,305,078
2023	\$891,835	\$413,244	\$1,305,079
2024-2028	\$3,774,430	\$1,688,459	\$5,462,889
2029-2033	\$4,465,313	\$997,576	\$5,462,889
2034-2038	\$2,173,166	\$340,477	\$2,513,643

2039-2043	\$603,780	\$202,410	\$806,190
2044-2048	\$700,703	\$105,487	\$806,190
2049-2053	\$309,289	\$13,186	\$322,475
TOTALS	\$17,689,446	\$5,748,014	\$23,437,460

Note 7 – Other Post-employment Benefits (OPEB)

The City of Quincy has committed to other post-employment benefits (OPEB) for those employees retired from the Law Enforcement Officers and Fire Fighters Retirement Plan I (LEOFF I). Such benefits include medical, prescription drug, dental, vision, disability and long-term care. The City pays 100% of “necessary medical services” for LEOFF I retirees on a pay-as-you-go basis. The City has two (2) retirees which received benefits in 2018 for a total of \$10,477. Benefits provided were reimbursement for medical insurance premiums, reimbursement of Medicare Part B insurance premiums and all qualified out-of-pocket medical expenses approved by the Grant County Disability Board. A long-term care policy has been purchased for one of the two retirees to limit the City’s potential future costs.

Note 8 – Pension Plans

A. State Sponsored Pension Plans

Substantially all City of Quincy’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 I, PERS II, PERS III and LEOFF II).

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 City of Quincy 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. In 2018, the City of Quincy had no active members.

At June 30, 2018 (the measurement date of the plans), the City of Quincy’s proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$112,084	0.016768%	\$748,865
PERS 2/3	\$155,678	0.020176%	\$344,487
LEOFF 1		0.003172%	\$(57,588)
LEOFF 2	\$71,761	0.041382%	\$(840,145)

LEOFF Plan 1

The City of Quincy 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 of Quincy 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.

Note 9 - Risk Management

The City of Quincy is a member of the Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services 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 provision of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As December 1, 2018, there are 207 members in the program.

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

The program acquires liability insurance through their administrator, Clear Risk Solutions, which is subject to a per-occurrence self-insured retention (SIR) of \$100,000, with the exception of Wrongful Acts and Law Enforcement Liability, which have a self-insured retention of \$25,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members toward the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy as another layer of protection to its membership, with an attachment point of \$1,922,394.

Property insurance is subject to a per-occurrence self-insured retention of \$25,000. Members are responsible

for a \$1,000 deductible for each claim. The program bears the \$25,000 self-insured retention, in addition to the deductible.

Privacy and Network Liability coverage is offered with a \$10,000 member deductible and \$40,000 self-insured retention for systems using encryption and \$50,000 member deductible and \$50,000 self-insured retention for those without encryption.

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

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

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

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who have been contracted to perform program administration, claims adjustment, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ending December 1, 2018, were \$2,809,430.40.

Unemployment Compensation - Reimbursable. The City of Quincy has been approved by the Employment Security Department to be in Reimbursable status. The City of Quincy only pays when an unemployment claim has been filed. In 2018, there were two (2) claims paid for a total of \$9,343.17.

Note 10 - Other Disclosures

- A. The City has several managerial funds that have been established to meet its fiscal and budgetary needs. For reporting purposes these funds are rolled to meet the BARS requirements as prescribed by the WA State Auditor's Office under RCW 43.09. The funds are:
- Current Expense Fund includes the funds of 001, 104, 105, 106, 107, 109, 111, 113 and 117.
 - Library Fund includes the funds of 101 and 108.
 - Street Fund includes the funds of 102 and 103.
 - Water Utility Fund includes the funds of 401 and 403.
 - Sewer Utility Fund includes the funds of 410, 407, 415, 416 and 417.
 - Industrial Sewer Fund includes the funds of 406, 402, 404, 405, 409, 450 and 460.
- B. Interlocal Agreement for the Operations of the Multi Agency Communication Center (Grant County, Cities in Grant County, Port of Moses Lake, and Fire Districts in Grant County). The Interlocal Agreement established the Multi Agency Communications Center (MACC), an E911 communications center for Grant County. The City does not make a financial contribution to MACC other than through the 911 tax imposed upon its residents by State Law and contract payments for dispatch services. The Board of Directors established under the Interlocal has the authority to establish a fair and equitable contribution from each participating entity for MACC. The Interlocal provides enhanced 911 services.

A member appointed by Grant County Cities & Towns represents the City on the Board of Directors. The property acquired by MACC is shared by the participants in the Agreement to the same extent as they have made financial contributions to MACC. Detailed financial statements for this entity can be obtained from MACC at 6500 32nd Ave NE, Suite 911, Moses Lake, WA 98837.

- C. The City has an Interlocal agreement with the Port of Quincy to lease land for the purpose of constructing, operating and maintaining public utility infrastructure, including, without limitation, buildings, pumps, lift stations and piping.
- D. The City of Quincy has five (5) active construction projects as of December 31, 2018. The projects include the projects listed below.

At year-end the City's commitment with the contractors was as follows:

Project Name	Spent to Date	Remaining Commitment
Public Safety Facility	\$3,430,334.00	\$460,111.00
City Hall Facility	\$2,197,911.00	\$1,206,288.00
Q Street Water Main	\$312,373.72	\$186,104.28
Neutralized Brine Water Conveyance System	\$0	\$629,040.00
Aquafer Characterization Well	\$0	\$923,224.00

- E. Liabilities: The City has long-term agreements with Woodard and Curran for process operations and upgrades to the Reuse, Domestic and Industrial Sewer Treatment Facilities with fees associated for early termination.
- F. Litigation: The City was sued by a former employee for damages under different claims in state and federal court under a variety of legal theories, all arising from the same set of occurrences. The City denies the claims and that no damages were incurred. Through legal counsel retained by the City's insurance pool the City contested these claims. The trial courts have all ruled in the City's favor, entering summary judgments, holding there were no questions of material fact to show harassment. The federal court of appeals affirmed the trial court's ruling in June, 2018. In September, 2018 the state trial court ruled the former employee did not prove the City failed to take reasonable steps to enable her to perform the essential functions of her employment. The former employee has appealed that ruling to the state Court Appeals. The Court of Appeals has not established the date of a hearing.

A former officer of the City's Police Department filed a tort claim against the City in September, 2018, alleging she suffered damages of \$500,000, due to racial and sexual discrimination and harassment. The claim has been referred to the City's insurance pool. The City has not been served with a lawsuit.

**City of Quincy
Schedule of Liabilities
For the Year Ended December 31, 2018**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
263.88	Water System Improvements	7/1/2018	39,417	-	39,417	-
264.30	Net Pension Liability		1,245,741	-	152,389	1,093,352
259.12	Compensated Absences		206,804	230,321	218,919	218,206
263.84	Municipal Wastewater Facility	11/28/2023	1,214,781	-	194,952	1,019,829
252.11	IWWTP 05 Capital Modification Project	1/1/2021	2,094,155	-	641,871	1,452,284
252.11	Water & Sewer Revenue Bond - Oxford	10/16/2035	12,431,256	-	515,419	11,915,837
263.82	Sewer System Improvements	11/12/2050	3,362,327	-	60,831	3,301,496
263.88	Water Reclamation & Reuse Phase 1	6/1/2018	75,000	-	75,000	-
Total Revenue and Other (non G.O.) Debt/Liabilities:			20,669,481	230,321	1,898,798	19,001,004
Total Liabilities:			20,669,481	230,321	1,898,798	19,001,004

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