



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Toledo

For the period January 1, 2017 through December 31, 2018

Published November 27, 2019

Report No. 1025104





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

November 27, 2019

Mayor and City Council
City of Toledo
Toledo, Washington

Report on Financial Statements

Please find attached our report on the City of Toledo'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

TABLE OF CONTENTS

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.....	4
Independent Auditor's Report on Financial Statements.....	7
Financial Section.....	10
About the State Auditor's Office.....	35

**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 Toledo
January 1, 2017 through December 31, 2018**

Mayor and City Council
City of Toledo
Toledo, 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 Toledo, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated November 13, 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 audits 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.

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

Pat McCarthy

State Auditor

Olympia, WA

November 13, 2019

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Toledo January 1, 2017 through December 31, 2018

Mayor and City Council
City of Toledo
Toledo, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Toledo, for the years ended December 31, 2018 and 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Toledo 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 Toledo, and its changes in cash and investments, for the years ended December 31, 2018 and 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 Toledo, as of December 31, 2018 and 2017, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 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.



Pat McCarthy

State Auditor

Olympia, WA

November 13, 2019

FINANCIAL SECTION

City of Toledo January 1, 2017 through December 31, 2018

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2018
Fund Resources and Uses Arising from Cash Transactions – 2017
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2018
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2017
Notes to Financial Statements – 2018
Notes to Financial Statements – 2017

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2018
Schedule of Liabilities – 2017

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

		Total for All Funds (Memo Only)	001 Current Expense	101 City Street Fund	105 Criminal Justice Fund
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	971,683	124,799	58,382	65,177
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	298,482	257,592	18,229	13,295
320	Licenses and Permits	3,541	3,541	-	-
330	Intergovernmental Revenues	82,104	42,839	37,403	1,861
340	Charges for Goods and Services	441,256	123,657	-	-
350	Fines and Penalties	9,642	9,642	-	-
360	Miscellaneous Revenues	218,849	23,186	901	-
Total Revenues:		1,053,873	460,456	56,533	15,156
Expenditures					
510	General Government	122,607	112,664	-	-
520	Public Safety	343,786	343,786	-	-
530	Utilities	323,148	200	-	-
540	Transportation	40,302	-	40,302	-
550	Natural and Economic Environment	310	310	-	-
560	Social Services	1,000	1,000	-	-
570	Culture and Recreation	6,184	6,184	-	-
Total Expenditures:		837,337	464,143	40,302	-
Excess (Deficiency) Revenues over Expenditures:		216,537	(3,687)	16,231	15,156
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	52,207	14,000	-	-
385	Special or Extraordinary Items	216	216	-	-
386 / 389	Custodial Activities	206	-	206	-
381, 395, 398	Other Resources	171	171	-	-
Total Other Increases in Fund Resources:		52,800	14,387	206	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	42,418	33,640	6,639	-
591-593, 599	Debt Service	175,370	39	-	-
597	Transfers-Out	42,109	18,109	-	14,000
585	Special or Extraordinary Items	(249)	(249)	-	-
586 / 589	Custodial Activities	1,299	-	-	-
581	Other Uses	10,098	-	-	-
Total Other Decreases in Fund Resources:		271,046	51,539	6,639	14,000
Increase (Decrease) in Cash and Investments:		(1,709)	(40,839)	9,798	1,156
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	969,974	83,961	68,179	66,333
Total Ending Cash and Investments		969,974	83,961	68,179	66,333

The accompanying notes are an integral part of this statement.

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

		301 City Hall Building Fund	302 Municipal Capital Improve Fund	304 Police Car Reserve Fund	340 City Street Construction Fund
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	22,477	(6,625)	4,405	1,427
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	9,366	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	160	160	-
Total Revenues:		-	9,526	160	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	9,526	160	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	18,109	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	18,109	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,644	-	-	-
591-593, 599	Debt Service	-	-	7,085	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	10,098	-
Total Other Decreases in Fund Resources:		1,644	-	17,183	-
Increase (Decrease) in Cash and Investments:		(1,644)	9,526	1,086	-
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	20,833	2,901	5,492	1,427
Total Ending Cash and Investments		20,833	2,901	5,492	1,427

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

		401 Water And Sewer Fund	408 W/S Truck & Equip Reserve Fund	410 W/S Capital Improvement Fund
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	45,134	142	656,364
388 / 588	Prior Period Adjustments, Net	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	317,600	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	5,791	160	188,491
Total Revenues:		323,391	160	188,491
Expenditures				
510	General Government	9,943	-	-
520	Public Safety	-	-	-
530	Utilities	322,948	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		332,891	-	-
Excess (Deficiency) Revenues over Expenditures:		(9,500)	160	188,491
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	10,000	10,098
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	10,000	10,098
Other Decreases in Fund Resources				
594-595	Capital Expenditures	495	-	-
591-593, 599	Debt Service	39	-	168,207
597	Transfers-Out	10,000	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	1,299	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		11,833	-	168,207
Increase (Decrease) in Cash and Investments:		(21,333)	10,160	30,382
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	23,801	10,302	686,746
Total Ending Cash and Investments		23,801	10,302	686,746

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

		Total for All Funds (Memo Only)	001 Current Expense	101 City Street Fund	105 Criminal Justice Fund
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	933,651	102,631	39,061	58,161
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	276,459	235,870	22,348	12,168
320	Licenses and Permits	3,434	3,434	-	-
330	Intergovernmental Revenues	475,206	16,397	77,408	1,848
340	Charges for Goods and Services	537,213	218,867	193	-
350	Fines and Penalties	11,193	11,193	-	-
360	Miscellaneous Revenues	204,972	13,323	740	-
Total Revenues:		1,508,477	499,085	100,689	14,016
Expenditures					
510	General Government	91,987	91,623	-	-
520	Public Safety	367,123	367,123	-	-
530	Utilities	305,446	114	-	-
540	Transportation	81,368	-	81,368	-
550	Natural and Economic Environment	239	239	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	6,398	6,398	-	-
Total Expenditures:		852,562	465,497	81,368	-
Excess (Deficiency) Revenues over Expenditures:		655,916	33,587	19,321	14,016
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	41,000	-	-	-
397	Transfers-In	27,099	7,000	-	-
385	Special or Extraordinary Items	4,679	3,706	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		72,778	10,706	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	493,676	12,039	-	-
591-593, 599	Debt Service	169,543	42	-	-
597	Transfers-Out	17,000	10,000	-	7,000
585	Special or Extraordinary Items	45	45	-	-
586 / 589	Custodial Activities	446	-	-	-
581	Other Uses	9,952	-	-	-
Total Other Decreases in Fund Resources:		690,662	22,126	-	7,000
Increase (Decrease) in Cash and Investments:		38,032	22,167	19,321	7,016
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	971,683	124,799	58,382	65,177
Total Ending Cash and Investments		971,683	124,799	58,382	65,177

The accompanying notes are an integral part of this statement.

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

		301 City Hall Building Fund	302 Municipal Capital Improve Fund	304 Police Car Reserve Fund	340 City Street Construction Fund
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	22,477	(12,777)	4,921	1,427
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	6,072	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	80	80	-
Total Revenues:		-	6,152	80	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	6,152	80	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	41,000	-
397	Transfers-In	-	-	10,000	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	51,000	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	41,019	-
591-593, 599	Debt Service	-	-	625	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	9,952	-
Total Other Decreases in Fund Resources:		-	-	51,596	-
Increase (Decrease) in Cash and Investments:		-	6,152	(516)	-
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	22,477	(6,625)	4,405	1,427
Total Ending Cash and Investments		22,477	(6,625)	4,405	1,427

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

		401 Water And Sewer Fund	408 W/S Truck & Equip Reserve Fund	410 W/S Capital Improvement Fund	440 W/S Construction Fund
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	33,473	62	659,309	24,905
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	379,554
340	Charges for Goods and Services	318,152	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,664	80	188,006	-
Total Revenues:		320,815	80	188,006	379,554
Expenditures					
510	General Government	364	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	305,333	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		305,697	-	-	-
Excess (Deficiency) Revenues over Expenditures:		15,119	80	188,006	379,554
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	10,099	-
385	Special or Extraordinary Items	973	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		973	-	10,099	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,943	-	32,217	404,459
591-593, 599	Debt Service	42	-	168,834	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	446	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		4,430	-	201,050	404,459
Increase (Decrease) in Cash and Investments:		11,662	80	(2,945)	(24,905)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	45,134	142	656,364	-
Total Ending Cash and Investments		45,134	142	656,364	-

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

	Agency
308 Beginning Cash and Investments	1,155
388 & 588 Prior Period Adjustment, Net	-
310-390 Additions	68,632
510-590 Deductions	68,440
Net Increase (Decrease) in Cash and Investments:	192
508 Ending Cash and Investments	1,347

The accompanying notes are an integral part of this statement.

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

	Agency
308 Beginning Cash and Investments	1,155
388 & 588 Prior Period Adjustment, Net	-
310-390 Additions	72,098
510-590 Deductions	72,099
Net Increase (Decrease) in Cash and Investments:	0
508 Ending Cash and Investments	1,155

The accompanying notes are an integral part of this statement.

CITY OF TOLEDO

NOTES TO FINANCIAL STATEMENTS

FOR YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Toledo was incorporated on September 6, 1892 and operates under the laws of the State of Washington applicable to a Code City with a Mayor-Council form of government. The City of Toledo is a general purpose government and provides police protection, street improvements, and general administrative services. In addition the city owns and operates a water system and waste water treatment system.

The City of Toledo reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting Systems* (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 (Current Expense) Fund (001)

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 (100-199)

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

Capital Project Funds (300 – 399)

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 (400-499)

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

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City 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.

Agency Funds 631

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 Toledo 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 of Toledo adopts an annual appropriated budget for the all funds except the 621 Trust fund. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes

the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Dept	Final Appropriated Amount	Actual Expenditures	Variances
General Fund:			
General Govt	132,204.00	132,187.00	17.00
Police Dept	383,500.00	383,495.00	5.00
Total General Fund	515,704.00	515,682.00	22.00
City Street Fund	52,633.00	46,942.00	5,691.00
Police Car Reserve Fund	18,569.00	17,173.00	1,396.00
Criminal Justice Fund	78,966.00	14,000.00	64,966.00
City Street Const Fund	0.00	0.00	0.00
City Hall Building Fund	22,477.00	0.00	22,477.00
Water/Sewer Truck & Equip	10,600.00	0.00	10,600.00
Water/Sewer Fund	361,884.00	344,724.00	17,160.00
Water/Sewer CI Fund	202,848.00	168,207.00	34,641.00
Water/Sewer Const Fund	30,000.00	0.00	30,000.00
Totals	1,293,681.00	1,106,728.00	186,953.00

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 of Toledo's legislative body.

d. Cash and Investments

It is the City of Toledo's policy to invest all temporary cash surpluses if reasonable with interest rates and fees charged. 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 (FDIC), and/or the Washington Public Deposit Protection Commission (WPDPC).

Investments are reported at cost/original. Investments by type at December 31, 2018 are as follows:

<u>Type of Investment</u>	<u>Total</u>
L.G.I.P.	\$424,097.95

e. Capital Assets

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

f. Compensated Absences

Vacation leave accrual may be accumulated up to 160 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 480 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

g. Long-Term Debt

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 the year ended December 31, 2017.

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

Other Debt

Loan Payments			
	principal	Interest	Total
2019	176,237.27	16,857.37	193,094.64
2020	166,734.85	15,383.30	182,118.15
2021	167,252.45	13,937.69	181,190.14
2022	167,791.30	12,470.33	180,261.63
2023	126,006.97	11,203.43	137,210.40
2024-2028	584,221.93	46,737.75	630,959.68
2029 - 2033	584,221.94	32,132.21	616,354.15
2034-2038	584,221.93	17,526.66	601,748.59
2039 - 2041	350,533.16	3,505.33	354,038.49
Totals	2,907,221.80	169,754.07	3,076,975.87

h. Risk Management

The City of Toledo is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk

management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2018, 100 municipalities/entities participate in the AWC RMSA pool.

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

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2018, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

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

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

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

i. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the

legislative body. 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 \$0.00.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.

NOTE 3 – PROPERTY TAX

The county treasurer acts as an agent to collect property taxes 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 taxes are levied.

The City's regular levy for the year 2018 was 1.759899098196 per \$1,000 on an assessed valuation of \$40,765,178 for a total regular levy of \$71,742.60.

NOTE 4 – INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2018.

Borrowing	Lending	Balance				Balance
Fund	Fund	01/01/18	New Loan	Repayment		12/31/18
104	410	20,049		10,000		10,049.00

NOTE 5 – PENSION PLANS

Substantially all Toledo full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

Public Employees' Retirement System (PERS)

Law Enforcement Officers' 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 (DRS), 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, 2018 (the measurement date of the plans, the city of Toledo proportionate share of the collective net pension liabilities, as reported on the Schedule 9, was as follows:

	Employer Contributions	Allocations %	Liability (Asset)
PERS 1	\$10,747	.001608%	71,814
PERS 2/3	\$15,844	.002053%	35,053
LEOFF 2	\$10,161.60	.005860%	(118,971)

LEOFF Plan 2

The City of Toledo 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.

CITY OF TOLEDO

NOTES TO FINANCIAL STATEMENTS

FOR YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Toledo was incorporated on September 6, 1892 and operates under the laws of the State of Washington applicable to a Code City with a Mayor-Council form of government. The City of Toledo is a general purpose government and provides police protection, street improvements, and general administrative services. In addition the city owns and operates a water system and waste water treatment system.

The City of Toledo reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting Systems* (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 (Current Expense) Fund (001)

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 (100-199)

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

Capital Project Funds (300 – 399)

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 (400-499)

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

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City 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.

Agency Funds 631

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 Toledo 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 of Toledo adopts an annual appropriated budget for the all funds except the 621 Trust fund. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes

the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Dept	Final Appropriated Amount	Actual Expenditures	Variances
General Fund:			
General Govt	99,223.00	90,040.00	9,183.00
Police Dept	418,006.00	397,582.00	20,424.00
Total General Fund	517,229.00	487,622.00	29,607.00
City Street Fund	96,279.00	81,368.00	14,911.00
Police Car Reserve Fund	51,594.00	51,596.00	-2.00
Criminal Justice Fund	67,327.00	7,000.00	60,327.00
City Street Const Fund	0.00	0.00	0.00
City Hall Building Fund	22,477.00	0.00	22,477.00
Water/Sewer Fund	348,840.00	310,127.00	38,713.00
Water/Sewer CI Fund	217,063.00	201,050.00	16,013.00
Water/Sewer Const Fund	404,460.00	404,459.00	1.00
Totals	1,725,269.00	1,543,222.00	182,047.00

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 of Toledo's legislative body.

d. Cash and Investments

It is the City of Toledo's policy to invest all temporary cash surpluses if reasonable with interest rates and fees charged. 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 (FDIC), and/or the Washington Public Deposit Protection Commission (WPDPC).

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

<u>Type of Investment</u>	<u>Total</u>
L.G.I.P.	\$416,942.32

e. Capital Assets

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

f. Compensated Absences

Vacation leave accrual may be accumulated up to 160 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 480 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

g. Long-Term Debt

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 the year ended December 31, 2017.

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

Other Debt

Loan Payments			
	principal	Interest	Total
2018	174,130.56	18,270.63	192,401.19
2019	176,237.27	16,857.37	193,094.64
2020	166,734.85	15,383.30	182,118.15
2021	167,252.45	13,937.69	181,190.14
2022	167,791.30	12,470.33	180,261.63
2023-2027	593,384.52	49,762.08	643,146.60
2028 - 2032	584,221.93	35,053.31	619,275.24
2033-2037	584,221.93	20,447.77	604,669.70
2038 - 2041	467,377.55	5,842.22	473,219.77
Totals	3,081,352.36	188,024.70	3,269,377.06

h. Risk Management

The City of Toledo is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk

management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2017, 99 municipalities/entities participate in the AWC RMSA pool.

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

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2017, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

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

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

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

i. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the

legislative body. 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 \$0.00.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.

The Municipal Capital Improvement Fund is still in a deficit as of December 2017.

NOTE 3 – PROPERTY TAX

The county treasurer acts as an agent to collect property taxes 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 taxes are levied.

The City's regular levy for the year 2017 was 1.695660012525 per \$1,000 on an assessed valuation of \$41,254,950 for a total regular levy of \$67,210.14.

NOTE 4 – INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2017.

Borrowing	Lending	Balance			Balance
Fund	Fund	01/01/17	New Loan	Repayment	12/31/17
104	410	30,000		10,099	19,901.00

NOTE 5 – PENSION PLANS

Substantially all Toledo full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

Public Employees' Retirement System (PERS)

Law Enforcement Officers' 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 (DRS), 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, 2016 (the measurement date of the plans, the city of Toledo proportionate share of the collective net pension liabilities, as reported on the Schedule 9, was as follows:

	Employer Contributions	Allocations %	Liability (Asset)
PERS 1	\$10,175	.001692%	80,287
PERS 2/3	\$13,289	.002176%	75,606
LEOFF 2	\$8,164.25	.005168%	(71,715)

LEOFF Plan 2

The City of Toledo 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.

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	PWTF 2011	10/31/2014	2,804,266	-	116,844	2,687,422
263.96	Dodge Charger	6/1/2022	37,032	-	5,368	31,664
263.81	PWTF 03	10/1/2022	167,080	-	33,416	133,664
263.81	DOE 03	10/31/2023	52,976	-	8,503	44,473
Total General Obligation Debt/Liabilities:			3,061,354	-	164,131	2,897,223
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	GO Vacation accruals		13,973	18,111	20,269	11,815
259.12	401 Vacation Accruals		9,210	12,958	13,927	8,241
264.30	Pension Liability		155,892	-	49,025	106,867
Total Revenue and Other (non G.O.) Debt/Liabilities:			179,075	31,069	83,221	126,923
Total Liabilities:			3,240,429	31,069	247,352	3,024,146

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	PWTF 2011	10/31/2014	2,921,110	-	116,844	2,804,266
263.96	Dodge Charger	6/1/2022	-	37,032	-	37,032
263.81	PWTF 03	10/1/2022	200,496	-	33,416	167,080
263.81	DOE 03	10/31/2023	61,353	-	8,377	52,976
Total General Obligation Debt/Liabilities:			3,182,959	37,032	158,637	3,061,354
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	GO Vacation Accruals		12,468	15,788	14,283	13,973
259.12	401 Vacation Accruals		8,027	11,626	10,443	9,210
264.30	Pension Liability		211,273	-	55,381	155,892
Total Revenue and Other (non G.O.) Debt/Liabilities:			231,768	27,414	80,107	179,075
Total Liabilities:			3,414,727	64,446	238,744	3,240,429

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