



Office of the Washington State Auditor  
Pat McCarthy

## Financial Statements Audit Report

# City of Selah

For the period January 1, 2024 through December 31, 2024

*Published December 18, 2025*  
Report No. 1038798



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## Office of the Washington State Auditor Pat McCarthy

December 18, 2025

Mayor and City Council  
City of Selah  
Selah, Washington

### **Report on Financial Statements**

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

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

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy, State Auditor  
Olympia, WA

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# CITY OF SELAH

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### City of Selah January 1, 2024 through December 31, 2024

This schedule presents the status of findings reported in prior audit periods.

Audit Period:	Report Ref. No.:	Finding Ref. No.:
January 1, 2023 through December 31, 2023	1036769	2023-001
<b>Finding Caption:</b>		
The City did not have adequate internal controls ensuring accurate reporting of its financial statements.		
<b>Background:</b> Our audit found deficiencies in internal controls over accounting and financial reporting that affected the City's ability to produce reliable financial statements. The City did not perform a detailed review of the financial statements, notes and schedules to ensure amounts it reported were in accordance with the BARS Manual. Specifically, the City did not ensure it eliminated interfund transactions on the final financial statements, did not perform an analysis of ending fund classification, and did not ensure its loan balances were accurate on its Schedule of Liabilities.		
<b>Status of Corrective Action: (check one)</b> <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
<b>Corrective Action Taken:</b> <i>The City has taken steps to excluded all interfund transactions from the City's Budget and Financial Statements. The City of Selah completed a Financial Software conversion in 2024 which has assisted in insuring the City is reporting more accurately and will continue to institute more internal control over entries into our General Ledger and continual training on the correct reporting and entries into the software. The City also has acquired a second point for auditing processes and is trying to ensure the finance department is diligently reporting to the best of our ability.</i>		

## INDEPENDENT AUDITOR'S REPORT

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 Selah January 1, 2024 through December 31, 2024

Mayor and City Council  
City of Selah  
Selah, 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 Selah, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 12, 2025.

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 state law 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.

## REPORT ON 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) as a basis for designing 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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## **REPORT ON 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

## **PURPOSE OF THIS REPORT**

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

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

A handwritten signature in black ink that reads "Pat McCarthy". The signature is fluid and cursive, with "Pat" on the first line and "McCarthy" on the second line.

Pat McCarthy, State Auditor

Olympia, WA

December 12, 2025

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### **City of Selah January 1, 2024 through December 31, 2024**

Mayor and City Council  
City of Selah  
Selah, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of the City of Selah, as of and for the year ended December 31, 2024, and the related notes to the financial statements, as listed in the financial section of our report.

### **Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the City has prepared these financial statements to meet the financial reporting requirements of state law and 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 accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Selah, and its changes in cash and investments, for the year ended December 31, 2024, on the basis of accounting described in Note 1.

### **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 Selah, as of December 31, 2024, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

## **Matter Giving Rise to 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. As described in Note 1 of the financial statements, the financial statements are prepared by the City in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Responsibilities of Management 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 state law and the BARS Manual 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements. 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 as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025 on our consideration of the City's internal control over financial reporting and on the 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

December 12, 2025

## FINANCIAL SECTION

**City of Selah**  
**January 1, 2024 through December 31, 2024**

### **FINANCIAL STATEMENTS**

- Fund Resources and Uses Arising from Cash Transactions – 2024
- Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2024
- Notes to the Financial Statements – 2024

### **SUPPLEMENTARY AND OTHER INFORMATION**

- Schedule of Liabilities – 2024

**City of Selah**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2024**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General Fund</b>	<b>103 Fire Control</b>	<b>110 City Street</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	18,696,033	5,114,558	3,398,595	304,912
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	7,611,754	5,160,970	1,310,888	374,937
320	Licenses and Permits	167,235	167,235	-	-
330	Intergovernmental Revenues	1,490,554	658,609	91,062	146,726
340	Charges for Goods and Services	10,555,479	358,612	1,763,691	-
350	Fines and Penalties	92,910	80,567	-	-
360	Miscellaneous Revenues	1,068,937	526,131	117,918	7,031
Total Revenues:		20,986,869	6,952,124	3,283,559	528,694
<b>Expenditures</b>					
510	General Government	1,215,073	1,215,073	-	-
520	Public Safety	5,617,133	3,350,907	2,266,226	-
530	Utilities	6,102,773	-	-	-
540	Transportation	1,251,266	-	-	789,763
550	Natural/Economic Environment	494,810	494,810	-	-
560	Social Services	1,546	1,546	-	-
570	Culture and Recreation	1,128,378	1,128,378	-	-
Total Expenditures:		15,810,979	6,190,714	2,266,226	789,763
Excess (Deficiency) Revenues over Expenditures:		5,175,890	761,410	1,017,333	(261,069)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	261,951	-	-	-
397	Transfers-In	632,848	12,500	-	139,872
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	21,579	12,093	-	8,045
Total Other Increases in Fund Resources:		916,378	24,593	-	147,917
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	5,130,137	1,705,198	218,446	21,477
591-593, 599	Debt Service	486,991	-	-	-
597	Transfers-Out	632,848	5,000	-	58,100
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	(6,301)	(6,301)	-	-
Total Other Decreases in Fund Resources:		6,243,675	1,703,897	218,446	79,577
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(151,407)</b>	<b>(917,894)</b>	<b>798,887</b>	<b>(192,729)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	6,453,258	366,455	3,408,842	74,000
50841	Committed	-	-	-	-
50851	Assigned	8,261,159	-	788,644	38,180
50891	Unassigned	3,830,221	3,830,221	-	-
<b>Total Ending Cash and Investments</b>		<b>18,544,638</b>	<b>4,196,676</b>	<b>4,197,486</b>	<b>112,180</b>

*The accompanying notes are an integral part of this statement.*

**City of Selah**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2024**

		111 Street Improvement	113 Paths & Trails	115 Local Access Street Improv.	119 Transit
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	135,783	4,218	193,724	552,602
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	634,112
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	329,718	-	-	27,763
340	Charges for Goods and Services	-	-	-	1,825
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	16,995	72	3,239	13,641
Total Revenues:		346,713	72	3,239	677,341
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	461,503
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	461,503
Excess (Deficiency) Revenues over Expenditures:		346,713	72	3,239	215,838
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	262,632	-	80,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389,	Other Resources	-	-	-	-
395, 398		-	-	-	-
Total Other Increases in Fund Resources:		262,632	-	80,000	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	628,906	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	91,632	200,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		628,906	-	91,632	200,000
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(19,561)</b>	<b>72</b>	<b>(8,393)</b>	<b>15,838</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	116,223	4,290	185,331	568,440
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>116,223</b>	<b>4,290</b>	<b>185,331</b>	<b>568,440</b>

*The accompanying notes are an integral part of this statement.*

**City of Selah**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2024**

		<b>171 Public Works Equipment</b>	<b>180 Drugs &amp; Alcohol Community</b>	<b>181 Crime Prevention Accum. Res.</b>	<b>301 Capital Improvement</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	582,148	4,582	3,612	980,555
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	130,847
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	50	5,282	-
360	Miscellaneous Revenues	11,662	79	315	20,562
Total Revenues:		11,662	129	5,597	151,409
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		11,662	129	5,597	151,409
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	88,100	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389,	Other Resources	-	-	-	-
395, 398		-	-	-	-
Total Other Increases in Fund Resources:		88,100	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	85,616	-	-	12,500
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		85,616	-	-	12,500
<b>Increase (Decrease) in Cash and Investments:</b>		<b>14,146</b>	<b>129</b>	<b>5,597</b>	<b>138,909</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	596,294	4,711	9,209	1,119,463
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>596,294</b>	<b>4,711</b>	<b>9,209</b>	<b>1,119,463</b>

*The accompanying notes are an integral part of this statement.*

**City of Selah**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2024**

		<b>308 Civic Center Capital Project</b>	<b>310 CE Building/Proper ty Reserve</b>	<b>411 Water</b>	<b>415 Sewer</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	10,087	1,119,792	4,737,310	1,440,872
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	884	235,792
340	Charges for Goods and Services	-	-	2,778,921	4,283,520
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	172	22,150	216,753	80,830
Total Revenues:		172	22,150	2,996,558	4,600,142
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	1,918,898	2,867,289
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	1,918,898	2,867,289
Excess (Deficiency) Revenues over Expenditures:		172	22,150	1,077,660	1,732,853
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	261,951	-
397	Transfers-In	-	-	27,372	22,372
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389,	Other Resources	-	-	1,441	-
395, 398		-	-	-	-
Total Other Increases in Fund Resources:		-	-	290,764	22,372
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	1,136,621	1,419,489
591-593, 599	Debt Service	-	-	356,110	130,881
597	Transfers-Out	-	-	65,000	80,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	1,557,731	1,630,370
<b>Increase (Decrease) in Cash and Investments:</b>		<b>172</b>	<b>22,150</b>	<b>(189,307)</b>	<b>124,855</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	10,260	1,141,942	4,548,004	1,565,725
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>10,260</b>	<b>1,141,942</b>	<b>4,548,004</b>	<b>1,565,725</b>

*The accompanying notes are an integral part of this statement.*

**City of Selah**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2024**

<b>420 Solid Waste</b>		
<b>Beginning Cash and Investments</b>		
308	Beginning Cash and Investments	112,683
388 / 588	Net Adjustments	-
<b>Revenues</b>		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	1,368,910
350	Fines and Penalties	7,011
360	Miscellaneous Revenues	<u>31,387</u>
Total Revenues:		1,407,308
<b>Expenditures</b>		
510	General Government	-
520	Public Safety	-
530	Utilities	1,316,586
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>1,316,586</u>
Excess (Deficiency) Revenues over Expenditures:		90,722
<b>Other Increases in Fund Resources</b>		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389,	Other Resources	-
395, 398		<u>-</u>
Total Other Increases in Fund Resources:		-
<b>Other Decreases in Fund Resources</b>		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	-
597	Transfers-Out	35,000
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		<u>35,000</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b>55,722</b>
<b>Ending Cash and Investments</b>		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	168,404
50891	Unassigned	-
<b>Total Ending Cash and Investments</b>		<b>168,404</b>

*The accompanying notes are an integral part of this statement.*

**City of Selah**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2024**

		<b>Custodial</b>
308	Beginning Cash and Investments	2,099
388 & 588	Net Adjustments	-
310-390	Additions	337,281
510-590	Deductions	<u>288,684</u>
	Net Increase (Decrease) in Cash and Investments:	48,597
508	Ending Cash and Investments	50,696

*The accompanying notes are an integral part of this statement.*

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**Note 1 - Summary of Significant Accounting Policies**

The City of Selah was incorporated on March 17, 1919 and operates under the laws of the state of Washington applicable to a non-charter code city. The city is a general-purpose local government and provides Public Safety, Police, Fire & EMS Services, Solid Waste Disposal, Street Maintenance & Improvements, Parks & Recreation, Municipal Court, Public Utilities and General Administrative Services.

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

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

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government. The City of Selah Special Revenue Funds Include: Fire Control, Street & Street Improvement, Paths & Trails, Transit, Tourism and Reserve Funds. The

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

revenue that supports these funds is provided by property tax collections and revenue from the sales and use tax from the State of Washington and a portion of the Utility and Public Safety tax collections from City Utilities.

**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. City government projects often require rigorous planning and budgeting. In this regard, it is important to consider the fact that these projects require a significant amount of funds that need to be planned well in advance. In order to effectively plan and execute the required projects, a capital projects fund is drawn. The main premise of the capital projects fund is to enable proper record keeping and transaction for acquisitions, as well as for other capital assets. Additional funding sources for these projects include bonds, grants, bank loans, existing cash reserves, operation budgets.

**PROPRIETARY FUND TYPES:**

**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. Internal Service funds provide a service to the community, and should be self-supporting through the collection of fees for services provided to the public. Services such as: building permits, planning, code enforcement, parks and recreation activities and Payroll clearing accounts.

**Enterprise Funds**

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges. Water, Sewer & Garbage are considered Enterprise Funds and are operated like a business within a city government organization. They are reliant upon the fees and charges for goods and services provided to users. Enterprise funds are dependent on these revenues for operations and repair of these facilities and services to the residence. Enterprise Funds must pay also pay Business and Occupation Tax to the Department of Revenue and Utility Taxes to the General Fund on the revenue collected. Enterprise Funds are also responsible for any debt incurred by replacement, maintenance or new construction and must show these funds can repay the debt by long term planning.

**FIDUCIARY FUND TYPES:**

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

**Custodial Funds**

These funds are used to account assets that the government holds on behalf of others in a custodial capacity. The City's Municipal Court is held in trust and must be operated as its own account and fund. Must also only be administered by the court clerk and or the judge.

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**B. Basis of Accounting and Measurement Focus**

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

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

**C. Cash and Investments**

It is the town's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. For further information see Note 3 - *Deposits and Investments*.

**D. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$75,000 and an estimated useful life in excess of 25 years. Capital assets and inventory are recorded as capital expenditures when purchased.

**E. Compensated Absences**

Vacation leave may be accumulated up to 30 days and is payable upon separation or retirement. Sick leave may be accumulated up to a maximum of 180 days or 1440 hours. Upon retirement employees will receive payment for 25 percent or a maximum of 45 days of unused sick leave. Payments are recognized as expenditures when paid. Total value of compensated absences as reported on the Schedule 9 as of December 31, 2024 is \$1,337,416.

**F. Liabilities**

See Note 5 – *Long-Term Liabilities*. See Note 6 – OPEB and Note 7 - Pensions

**G. Leases and Subscription Based Information Technology Arrangements (SBITA)**

SBITAs are reported as liabilities if the total payments over the life of the SBITA, Reference Resolution 3191, the City's Purchasing and Contracting Policy.

The City Council is the legislative body of the City. Thus, the City Council holds purchasing and contracting authority on behalf of the City. As recited in this Purchasing and Contracting Policy, the City Council will and does directly exercise such authority as to certain types of contracts, agreements and transactions, and, by contrast, will and does delegate specific and limited purchasing and contracting authority to the City's Department Heads.

For more information see Note 10 – SBITA.

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**H. Restricted and Committed Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City of Selah's legislative body by ordinance. When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Fund	Portion of Ending Balance		Portion of Ending Balance Combined
	Restricted	Committed	
General Fund	366,455		366,455
Fire Control	3,408,841		3,408,841
Street	74,000	0	74,000
Street Improvement	116,223		116,223
Paths & Trails	4,290		4,290
Local Access Street Improvements	185,331		185,331
Transit	568,440	57,329	625,769
Public Works Equipment Reserve	596,294		596,294
Drugs & Alcohol Community Res	4,711		4,711
Crime Prevention Accum Res	9,209		9,209
Capital Improvement	1,119,463		1,119,463
<i>Totals</i>	6,453,257	57,329	6,510,586

**Note 2 - Budget Compliance**

The city adopts annual appropriated budgets for all funds. 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. The City also adopts budgets for its managerial funds which are consolidated into the major funds. The Managerial funds are General Fund 001 which includes 118, 140, 150, 153 and 170. Water includes 411 and 461. Sewers includes 415 and 465. 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.

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

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

<b>Fund/Department</b>	<b>Final Appropriated</b>		<b>Variance</b>
	<b>Amounts</b>	<b>Actual Expenses</b>	
001 - General Fund			
Legislative	64,035	99,840	(35,805)
Judicial	186,280	187,224	(944)
Executive	225,507	235,006	(9,599)
Financial, Recording & Elections	191,861	311,349	(119,488)
Legal Services	341,211	330,965	10,246
Centralized Services	46,112	50,686	(4,574)
Law Enforcement	3,186,319	3,097,265	89,054
Detention & Corrections	180,500	248,244	(67,744)
Disaster Services	5,415	5,395	20
Conservation	4,015	4,015	-
Environmental Services	68,812	61,201	7,611
Planning & Community Development	554,159	366,652	187,507
Substance Abuse	2,000	1,546	454
Education & Recreation	246,089	259,849	(13,760)
Park Facilities	709,476	631,068	78,408
Non Expenditures	-	(7,490)	7,490
Transfers	405,000	405,000	-
Capital Expenditures	2,304,472	1,634,274	670,198
<b>Total General Fund</b>	<b>8,721,263</b>	<b>7,922,089</b>	<b>799,074</b>
103 - Fire Control	2,755,454	2,484,670	270,784
110 - City Street	1,174,525	869,342	305,183
111 - Street Improvement	960,710	628,905	331,805
113 - Paths & Trails	-	4,242	(4,242)
115 - Local Access Street Improv.	-	186,797	(186,797)
118 - Civic Center	606,906	309,568	297,338
119 - Transit	666,156	661,503	4,653
121 - Tourism	57,711	62,941	(5,230)
140 - Contingency Reserve	23,484	-	23,484
150 - Fire Equipment Reserve	159,000	-	159,000
153 - EMS Equipment Reserve	-	-	-
170 - CE Equipment Reserve	270,021	-	270,021
171 - Public Works Equipment Reserve	85,616	85,616	-
180 - Drugs & Alcohol Community Res.	-	-	-
181 - Crime Prevention Accum. Res.	-	-	-
301 - Capital Improvement	12,500	-	12,500
303 - Fire Control Building Reserve	-	-	-
308 - Civic Center Capital Project	-	-	-
310 - CE Building/Property Reserve	-	-	-
411 - Water	4,613,277	3,476,631	1,136,646
415 - Sewer	6,724,886	4,497,660	2,227,226
420 - Solid Waste	1,258,493	1,351,586	(93,093)
461 - Water Reserve	1,000,000	-	1,000,000
465 - Sewer Reserve	270,000	-	270,000

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

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's legislative body.

Budget variances include budgeted ending residual balance as per ending balances found on the C4/C5.

**Note 3 – Deposits and Investments**

Investments are reported at (amortized cost/original cost/fair value). Deposits and investments by type at December 31, 2024 are as follows:

Deposit or Investment	City of selah's own deposits & investments	Deposits & investments held by the City of Selah as custodian for other local governments, individuals, or private organizations.	Combined
Bank Deposits	1,030,400	6,754	1,037,154
Local Government Investment Pool	13,065,620		13,065,620
FHLB/Government Obligations	4,492,557		4,492,557
<i>Totals</i>	18,588,577	6,754	18,595,331

Investments in the State Local Government Investment Pool (LGIP)

The city is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at [www.tre.wa.gov](http://www.tre.wa.gov).

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the city would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The city's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the city or its agent in the government's name.

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**Note 4 – Joint Ventures, Component Unit(s), and Related Parties**

Disclosure	Details for Disclosure
Joint Operating Agreement	Yakima County Fire Protection Dist #2 & City of Selah (for joint fire & EMS services)
Intergovernmental Local Agreement	Selah, Union Gap & Sunnyside and Yakima County for Stormwater Permit

**The Joint Operating Agreement** between Yakima County Fire Protection #2 and the City of Selah was executed on November 29, 2017 under the authority of RCW 52.12.031 and in conformity of RCW 39.34 Interlocal Cooperation Act. A joint board was established for the purpose of overseeing the operations of the fire department and to carry out the objectives of the agreement to service the City of Selah and Yakima County with fire protection and emergency services both inside and outside the corporate limits of each party. This agreement benefits the residents of the City of Selah and Yakima County in response time and coverage with the addition of more full-time personnel and equipment.

Funding for this Joint Venture comes from City and County property tax collections and a public safety utility tax on assessed values and disbursed on a call volume percentage basis, references on average a 60/40 split. The Budget for said agreement is the set by the taxes certified by the county and the percentage of calls responded to in each district in the prior year. In 2024 the budgeted property tax contributions to the fire district were distributed as such: Yakima County contribution \$1,399,698 and the City's contribution \$904,754 in addition the Public Safety Utility Tax amount was \$406,133.

**The Intergovernmental Local Agreement** for Stormwater Permit Compliance was formed between Yakima County and the cities of Selah, Union Gap and Sunnyside for the purposes of operating and maintaining a storm and surface water management system and other services as provided for by a Regional Stormwater Group. This will provide the best value and services for the citizens of these communities concerning the development of a regional stormwater plan to satisfy the Permit for their respective Municipal Separate Storm Sewer Systems.

The costs and expenses incurred will be administered by Yakima County, and unless otherwise identified, the expenses incurred by the County to complete the RSWG and ESWG tasks will be distributed on a relative number of households in each community. The County has established separate accounting codes for the purposes of tracking all expenses and service charges pursuant to this agreement. Expenses incurred in 2024 were a total of \$4,173.69.

**Note 5 – Long-Term Liabilities**

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the city and summarizes the city's debt transactions for year ended December 31, 2024.

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

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

Year	Principal	Interest	Total Debt Service
2025	410,734	73,356	484,090
2026	357,078	66,460	423,538
2027	273,445	62,264	335,709
2028	274,041	58,991	333,032
2029	274,832	47,896	322,728
2030-2034	1,385,021	226,609	1,611,630
2035-2039	754,380	151,758	906,138
2040-2044	383,860	115,516	499,376
2045-2049	278,349	90,866	369,215
2050-2054	303,583	65,632	369,215
2055-2059	331,104	38,111	369,215
2060-2064	244,063	9,005	253,068
<i>Totals</i>	<i>5,270,490</i>	<i>1,006,464</i>	<i>6,276,954</i>

Unused Lines of Credit

At fiscal year end, the city had \$103,253 available in unused lines of credit.

Compensated Absences

During the year ended December 31, 2024, the following changes occurred in compensated absences:

ID. No.	Description	Beginning Balance 01/01/2024	Additions	Ending Balance 12/31/2024
259.12	Compensated Absences	594,897	742,519	1,337,416

**Note 6 – Other Postemployment Benefits (OPEB Plans)**

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the city. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2024, the plan had one member, all retirees. As of December 31, 2024, the city's total OPEB liability was \$609,631, as calculated using the alternative measurement method. For the year ended December 31, 2024, the city paid \$12,786 in benefits.

Plan	Administrator	Type (DBP or DCP)	Description of Plan	# of Active Employees	# of Retired Employees	Employer Contribution
Regence	WA Teamsters Welfare Trust	DBP	Leoff Medical	1		1,794
HRA Veba	Medical/Dental Savings Plan	DCP	Medical, Dental	77		50,500
Retiree Welfare Trust	WA Teamsters Welfare Trust	DCP	Retiree Medical	20		5,691
Life Insurance	Principal Life Insurance	DCP	Life Insurance	12		2,125
Life Insurance	WA Teamsters Welfare Trust	DCP	Life Insurance	19		138
					Total	60,248

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**Note 7 – Pension Plans**

**A. State Sponsored Pension Plans**

Substantially all the city's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 2/3, LEOFF 1, LEOFF 2 & VFFRPF.

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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems  
 Communications Unit  
 P.O. Box 48380  
 Olympia, WA 98540-8380

Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

The city 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 ACFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

At June 30, 2024, the city's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation Percentage	Plan Liability /		
			Asset	NPL	NPA
PERS 1 UAAL	93,417.75	0.01560500%	1,776,838,000	277,276	
PERS 2/3	201,188.91	0.02044000%	(3,296,573,000)		(673,820)
LEOFF 1		0.00121500%	(2,843,889,000)		(34,553)
LEOFF 2	124,679.61	0.05088900%	(1,872,745,000)		(953,021)
VFFRPF	840	0.480000%	(11,330,000)		(96,136)
<i>Totals</i>				\$ 277,276	\$ (1,757,530)

Only the net pension liabilities are reported on the Schedule of Liabilities.

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**LEOFF Plan 1**

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

**LEOFF Plan 2**

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

**Note 8 - 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, usually on the 10<sup>th</sup> day of the following 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's regular levy for the year 2023 assessed in 2024 was \$1.92 per \$1,000 on an assessed valuation of \$1,240,950,161 for a total regular levy of \$2,381,195.

The EMS regular levy for the tax year 2023 assessed in 2024 was \$1 per \$1,000 on an assessed valuation of \$200,026,898 for a total regular levy of \$20,458.

<b>Levy</b>	<b>Per \$1000</b>	<b>Assessed Valuation</b>	<b>Amount</b>
2,381,195	1.92	1,240,950,161	2,381,195
201,458	1	200,026,898	201,458

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**Note 9 – Risk Management**

The City is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 166 members.

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

Liability coverage is written on an occurrence basis, without deductibles other than Property which is \$ 25,000 and Auto is \$ 5,000. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimit. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$ 1 million and subject to member deductibles, sublimit, and a \$ 5 million pool aggregate. Premises pollution liability provides Members with a \$ 2 million incident limit and \$ 10 million pool aggregate subject to a \$ 100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimit. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimit.

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

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

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

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

**CITY OF SELAH**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**Note 10 – SBITA**

During 2024 the City of Selah adopted guidance for the presentation and disclosure of Subscription Based Information Technology Agreements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a liability reported on the Schedule of Liabilities. See below included Agreements and term payments.

Contract	Classification	Payment	Frequency	Term in Years	Liability	Extension and/or cancellation options for leases	Beginning Balance	Additions	Reductions	Ending Balance
Flock Group Inc	SBITA	25,992	Annual	2	72,000	Annual	72,000	24,000	48,000	
CivicPlus Software Solutions	SBITA	43,776	Annual	2	141,438	60 Days	141,438	43,776	97,662	
Springbrook Express Software	SBITA	17625	Annual	3	78,600	60 Days	78,600	5,895	72,705	

SBITA	
Year	Payments
2025	121,285
2026	97,082
<i>Total</i>	218,367

**City of Selah**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2024**

<b>ID. No.</b>	<b>Debt ID Title</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>							
263.56	Leases, SBITA, and PPPs	Police Dept Building Lease		60,000	-	-	60,000
263.81	Loans and other obligations to the federal governments or other out-of-state governments	USDA Loan	4/25/2063	2,111,000	-	63,256	2,047,744
		<b>Total General Obligation Debt/Liabilities:</b>		<b>2,171,000</b>	-	-	<b>123,256</b>
							<b>2,047,744</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>							
259.12	Compensated Absences	Compensated Absences		594,897	742,519	-	1,337,416
263.57	Leases, SBITA, and PPPs	SBITA		292,038	-	73,671	218,367
263.84	Loans and other obligations to Washington state agencies (Except LOCAL and PWTF loans)	2016 WA State Energy Loan	12/1/2025	106,056	-	51,735	54,321
263.84	Loans and other obligations to Washington state agencies (Except LOCAL and PWTF loans)	9/15/2006 2005 DWSRF Loan	10/1/2026	252,928	-	84,310	168,618
263.84	Loans and other obligations to Washington state agencies (Except LOCAL and PWTF loans)	3/20/2013 DWSRF DM12-952-093	10/1/2034	774,802	-	70,436	704,366
263.84	Loans and other obligations to Washington state agencies (Except LOCAL and PWTF loans)	9/24/2014 DWSRF DM13-952-130	10/1/2036	464,639	-	35,741	428,898
263.84	Loans and other obligations to Washington state agencies (Except LOCAL and PWTF loans)	10/3/2016 DWSRF DM16-952-030	10/1/2036	837,338	-	64,410	772,928
263.88	Public Works Trust Fund (PWTF) Loans	11/1/21 Water Service Meter PC22-96103-046	6/1/2046	895,921	261,951	64,257	1,093,615
264.30	Pension Liabilities	Net Pension Liability		403,473	-	126,197	277,276
264.40	OPEB Liabilities	OPEB Liabilities		1,515,112	-	905,481	609,631

**City of Selah**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2024**

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
		Total Revenue and Other (non G.O.)		6,137,204	1,004,470	1,476,238	5,665,436
		Debt/Liabilities:					
		Total Liabilities:		8,308,204	1,004,470	1,599,494	7,713,180

## ABOUT THE STATE AUDITOR'S OFFICE

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

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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