



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Selah

For the period January 1, 2020 through December 31, 2021

Published December 22, 2022

Report No. 1031625



Find out what's new at SAO
by scanning this code with
your smartphone's camera



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

December 22, 2022

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,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

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 <i>Government Auditing Standards</i>	4
Independent Auditor's Report on the Financial Statements.....	7
Financial Section.....	11
About the State Auditor's Office.....	41

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, 2020 through December 31, 2021

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 years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 15, 2022.

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 audits 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. 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 or significant deficiencies may exist that were not identified.

In addition, we noted certain matters that we have reported to the management of the City in a separate letter dated December 15, 2022.

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 written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

December 15, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Selah January 1, 2020 through December 31, 2021

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 years ended December 31, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

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 years ended December 31, 2021 and 2020, 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, 2021 and 2020, or the changes in financial position or cash flows thereof for the years 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.

Matters of Emphasis

As discussed in Note 10 to the 2021 and 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impacts on the City is unknown. Our opinion is not modified with the respect to this matter.

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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS Manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other

records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large initial "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

December 15, 2022

**City of Selah
January 1, 2020 through December 31, 2021**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2021
Fund Resources and Uses Arising from Cash Transactions – 2020
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2021
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2020
Notes to Financial Statements – 2021
Notes to Financial Statements – 2020

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2021
Schedule of Liabilities – 2020

City of Selah
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021

		Total for All Funds (Memo Only)	001 General Fund	103 Fire Control	110 City Street
Beginning Cash and Investments					
308	Beginning Cash and Investments	13,489,578	2,339,923	1,871,495	298,130
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	7,036,207	4,833,647	1,043,428	312,773
320	Licenses and Permits	335,423	335,423	-	-
330	Intergovernmental Revenues	1,654,560	1,369,795	19,712	147,645
340	Charges for Goods and Services	7,690,837	195,826	1,559,033	11,000
350	Fines and Penalties	40,509	39,592	-	-
360	Miscellaneous Revenues	492,170	131,576	25,163	976
Total Revenues:		17,249,706	6,905,859	2,647,336	472,394
Expenditures					
510	General Government	1,005,948	1,005,948	-	-
520	Public Safety	3,961,741	2,441,804	1,519,937	-
530	Utilities	4,400,948	-	-	-
540	Transportation	901,958	-	-	474,116
550	Natural/Economic Environment	412,553	412,553	-	-
560	Social Services	5,744	5,744	-	-
570	Culture and Recreation	692,593	692,593	-	-
Total Expenditures:		11,381,485	4,558,642	1,519,937	474,116
Excess (Deficiency) Revenues over Expenditures:		5,868,221	2,347,217	1,127,399	(1,722)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	507,599	75,816	-	118,126
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	108,319	64,469	345	26,106
Total Other Increases in Fund Resources:		615,918	140,285	345	144,232
Other Decreases in Fund Resources					
594-595	Capital Expenditures	882,664	295,092	44,625	34,480
591-593, 599	Debt Service	672,446	81,049	-	-
597	Transfers-Out	507,599	10,000	-	58,100
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	59,320	57,546	1,430	114
Total Other Decreases in Fund Resources:		2,122,029	443,687	46,055	92,694
Increase (Decrease) in Cash and Investments:		4,362,110	2,043,815	1,081,689	49,816
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	6,035,278	1,129,838	2,553,185	-
50841	Committed	1,522,224	363,650	400,000	-
50851	Assigned	7,403,943	-	-	347,947
50891	Unassigned	2,890,250	2,890,250	-	-
Total Ending Cash and Investments		17,851,695	4,383,738	2,953,185	347,947

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, 2021

		<u>111 Street Improvement</u>	<u>113 Paths & Trails</u>	<u>115 Local Access Street Improv.</u>	<u>119 Transit</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	103,928	2,912	247,693	464,668
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	667,923
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	53,246	644	-	-
340	Charges for Goods and Services	-	-	-	6,267
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	29,682	2	794	5,208
Total Revenues:		<u>82,928</u>	<u>646</u>	<u>794</u>	<u>679,398</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	427,842
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>-</u>	<u>-</u>	<u>427,842</u>
Excess (Deficiency) Revenues over Expenditures:		<u>82,928</u>	<u>646</u>	<u>794</u>	<u>251,556</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	75,874	-	80,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	4,600	-	-	-
Total Other Increases in Fund Resources:		<u>80,474</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	163,416	-	-	126
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	45,138	50,736
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>163,416</u>	<u>-</u>	<u>45,138</u>	<u>50,862</u>
Increase (Decrease) in Cash and Investments:		(14)	646	35,656	200,694
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	103,913	3,558	283,349	665,363
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>103,913</u>	<u>3,558</u>	<u>283,349</u>	<u>665,363</u>

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, 2021

		171 Public Works Equipment	180 Drugs & Alcohol Community	181 Crime Prevention Accum. Res.	301 Capital Improvement
Beginning Cash and Investments					
308	Beginning Cash and Investments	505,878	3,835	2,676	617,360
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	178,436
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	378	539	-
360	Miscellaneous Revenues	15,347	4	3	4,506
Total Revenues:		15,347	382	542	182,942
Expenditures					
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:		15,347	382	542	182,942
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	108,100	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		108,100	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	72,809	-	-	68,181
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		72,809	-	-	68,181
Increase (Decrease) in Cash and Investments:		50,638	382	542	114,761
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	556,516	4,217	3,218	732,121
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		556,516	4,217	3,218	732,121

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, 2021

	308 Civic Center Capital Project	310 CE Building/Proper ty Reserve	411 Water	415 Sewer	
Beginning Cash and Investments					
308	Beginning Cash and Investments	27,487	1,085,321	3,301,465	2,345,658
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	63,518
340	Charges for Goods and Services	-	-	2,280,792	2,600,267
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	40	7,807	136,220	133,462
	Total Revenues:	40	7,807	2,417,012	2,797,247
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	1,374,682	2,008,953
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
	Total Expenditures:	-	-	1,374,682	2,008,953
	Excess (Deficiency) Revenues over Expenditures:	40	7,807	1,042,330	788,294
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	10,000	-	20,037	19,646
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	12,799	-
	Total Other Increases in Fund Resources:	10,000	-	32,836	19,646
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	97,021	247,904
591-593, 599	Debt Service	-	-	465,037	126,360
597	Transfers-Out	7,635	-	80,000	80,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	230	-
	Total Other Decreases in Fund Resources:	7,635	-	642,288	454,264
	Increase (Decrease) in Cash and Investments:	2,405	7,807	432,878	353,676
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	758,574	-
50851	Assigned	29,892	1,093,128	2,975,773	2,699,335
50891	Unassigned	-	-	-	-
	Total Ending Cash and Investments	29,892	1,093,128	3,734,347	2,699,335

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, 2021

		<u>420 Solid Waste</u>
Beginning Cash and Investments		
308	Beginning Cash and Investments	271,149
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	1,037,652
350	Fines and Penalties	-
360	Miscellaneous Revenues	1,380
Total Revenues:		<u>1,039,032</u>
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	1,017,313
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>1,017,313</u>
Excess (Deficiency) Revenues over Expenditures:		21,719
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		<u>-</u>
Other Decreases in Fund Resources		
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>
Increase (Decrease) in Cash and Investments:		<u>(13,281)</u>
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	257,868
50891	Unassigned	-
Total Ending Cash and Investments		<u>257,868</u>

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, 2020

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>103 Fire Control</u>	<u>110 City Street</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	11,117,954	1,678,322	1,047,622	185,371
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	7,167,222	5,129,385	1,021,188	307,522
320	Licenses and Permits	336,789	336,789	-	-
330	Intergovernmental Revenues	1,870,781	531,902	14,515	228,545
340	Charges for Goods and Services	7,503,662	174,831	1,444,702	22,411
350	Fines and Penalties	43,553	42,862	-	-
360	Miscellaneous Revenues	413,977	101,869	40,376	11,591
Total Revenues:		<u>17,335,984</u>	<u>6,317,638</u>	<u>2,520,781</u>	<u>570,069</u>
Expenditures					
510	General Government	1,077,735	1,077,735	-	-
520	Public Safety	3,742,917	2,422,144	1,323,093	-
530	Utilities	4,372,121	-	-	-
540	Transportation	799,856	-	-	409,875
550	Natural/Economic Environment	535,495	535,495	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	724,712	724,712	-	-
Total Expenditures:		<u>11,252,836</u>	<u>4,760,086</u>	<u>1,323,093</u>	<u>409,875</u>
Excess (Deficiency) Revenues over Expenditures:		6,083,148	1,557,552	1,197,688	160,194
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	14,437	-	-	-
397	Transfers-In	1,042,377	5,415	-	118,175
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	255,899	54,030	-	-
Total Other Increases in Fund Resources:		<u>1,312,713</u>	<u>59,445</u>	<u>-</u>	<u>118,175</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,880,785	203,155	374,562	130,724
591-593, 599	Debt Service	1,049,295	452,812	-	-
597	Transfers-Out	1,042,377	245,441	-	35,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	55,179	55,091	88	-
Total Other Decreases in Fund Resources:		<u>5,027,636</u>	<u>956,499</u>	<u>374,650</u>	<u>165,724</u>
Increase (Decrease) in Cash and Investments:		<u>2,368,225</u>	<u>660,498</u>	<u>823,038</u>	<u>112,645</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	3,419,436	-	1,470,659	-
50841	Committed	1,515,760	418,212	400,000	-
50851	Assigned	7,433,139	802,769	-	298,014
50891	Unassigned	1,117,846	1,117,846	-	-
Total Ending Cash and Investments		<u>13,486,181</u>	<u>2,338,827</u>	<u>1,870,659</u>	<u>298,014</u>

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, 2020

		<u>111 Street Improvement</u>	<u>113 Paths & Trails</u>	<u>115 Local Access Street Improv.</u>	<u>119 Transit</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	103,928	2,291	201,036	311,950
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	571,311
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	742,150	616	-	4,381
340	Charges for Goods and Services	-	-	-	4,881
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	596	5	2,533	2,732
Total Revenues:		<u>742,746</u>	<u>621</u>	<u>2,533</u>	<u>583,305</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	389,981
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>-</u>	<u>-</u>	<u>389,981</u>
Excess (Deficiency) Revenues over Expenditures:		<u>742,746</u>	<u>621</u>	<u>2,533</u>	<u>193,324</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	441,584	-	80,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	47,000	-
Total Other Increases in Fund Resources:		<u>441,584</u>	<u>-</u>	<u>127,000</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,184,400	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	82,876	40,708
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>1,184,400</u>	<u>-</u>	<u>82,876</u>	<u>40,708</u>
Increase (Decrease) in Cash and Investments:		(70)	621	46,657	152,616
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	103,858	2,912	247,693	464,565
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>103,858</u>	<u>2,912</u>	<u>247,693</u>	<u>464,565</u>

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, 2020

	171 Public Works Equipment	180 Drugs & Alcohol Community	181 Crime Prevention Accum. Res.	301 Capital Improvement	
Beginning Cash and Investments					
308	Beginning Cash and Investments	437,055	6,234	4,967	491,996
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	137,816
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	283	408	-
360	Miscellaneous Revenues	13,260	27	8	13,406
Total Revenues:		13,260	310	416	151,222
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	(2,320)
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	(2,320)
Excess (Deficiency) Revenues over Expenditures:		13,260	310	416	153,542
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	120,250	-	-	140,822
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		120,250	-	-	140,822
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	64,687	2,708	2,707	169,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		64,687	2,708	2,707	169,000
Increase (Decrease) in Cash and Investments:		68,823	(2,398)	(2,291)	125,364
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	505,878	3,835	2,676	617,360
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		505,878	3,835	2,676	617,360

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, 2020

		308 Civic Center Capital Project	310 CE Building/Proper ty Reserve	411 Water	415 Sewer
Beginning Cash and Investments					
308	Beginning Cash and Investments	17,396	1,141,746	3,103,242	2,105,378
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	109,667	239,005
340	Charges for Goods and Services	-	-	2,251,895	2,600,299
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	92	17,957	121,234	86,226
Total Revenues:		92	17,957	2,482,796	2,925,530
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	1,444,631	1,947,450
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	1,444,631	1,947,450
Excess (Deficiency) Revenues over Expenditures:		92	17,957	1,038,165	978,080
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	14,437	-
397	Transfers-In	10,000	94,619	15,756	15,756
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	154,869	-
Total Other Increases in Fund Resources:		10,000	94,619	185,062	15,756
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	475,650	512,245
591-593, 599	Debt Service	-	-	469,781	126,702
597	Transfers-Out	-	169,000	80,000	115,250
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	169,000	1,025,431	754,197
Increase (Decrease) in Cash and Investments:		10,092	(56,424)	197,796	239,639
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	697,548	-
50851	Assigned	27,487	1,085,321	2,603,489	2,345,018
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		27,487	1,085,321	3,301,037	2,345,018

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, 2020

		<u>420 Solid Waste</u>
Beginning Cash and Investments		
308	Beginning Cash and Investments	279,420
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	1,004,643
350	Fines and Penalties	-
360	Miscellaneous Revenues	2,065
Total Revenues:		<u>1,006,708</u>
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	980,040
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>980,040</u>
Excess (Deficiency) Revenues over Expenditures:		26,668
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		<u>-</u>
Other Decreases in Fund Resources		
594-595	Capital Expenditures	49
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>35,049</u>
Increase (Decrease) in Cash and Investments:		<u>(8,381)</u>
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	271,041
50891	Unassigned	-
Total Ending Cash and Investments		<u>271,041</u>

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, 2021

		<u>Custodial</u>
308	Beginning Cash and Investments	9,408
388 & 588	Net Adjustments	-
310-390	Additions	106,427
510-590	Deductions	102,311
	Net Increase (Decrease) in Cash and Investments:	4,116
508	Ending Cash and Investments	13,524

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, 2020

		<u>Custodial</u>
308	Beginning Cash and Investments	9,401
388 & 588	Net Adjustments	-
310-390	Additions	107,590
510-590	Deductions	107,583
	Net Increase (Decrease) in Cash and Investments:	<u>7</u>
508	Ending Cash and Investments	9,408

The accompanying notes are an integral part of this statement.

CITY OF SELAH
NOTES TO FINANCIAL STATEMENTS
2021

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 government and provides Public Safety, Solid Waste Disposal, Fire Prevention, Street Maintenance & Improvement, Parks & Recreation, Municipal Court and General Administration 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 for proprietary funds 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. 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 (Current Expense)

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

FIDUCIARY FUND TYPES:

Custodial Funds

These funds are used to account for assets that the city holds on behalf of others in a custodial capacity.

b. Basis of Accounting and Measurement Focus

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

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

c. Cash and Investments

See Note 3, Deposits and Investments

d. Capital Assets

Capital assets are long-lived assets of the city and are recorded as 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 indefinitely. Sick leave accrued after January 1, 2000 will be accounted for such that employees may, upon retirement (which shall be defined as immediately receiving PERS or LEOFF payments), exercise an option to convert any of this unused sick leave at a rate equal to one (1) full day of the employee's monetary compensation for each four (4) full days accrued sick leave up to a maximum of 180 days converted to a maximum of 45 days pay.

Upon separation employees do not receive payment for unused sick leave.

f. Long-Term Debt

See Note 6, Debt Service Requirements

g. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is 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 Council. Commitments are established and rescinded by Ordinance.

When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Restrictions and Commitments of Ending Cash and Investments consist of:

001 General \$ 363,650 Committed and \$ 1,129,838 Restricted

The Committed balance is for future debt service on Marudo Bond debt service.

The Restricted balance is for unexpended ARPA grant revenue received.

103 Fire Control \$ 400,000 Committed and \$ 2,553,185 Restricted

The Committed balance is a reservation set aside for future Fire fund needs.

The Restricted balance represents unexpended joint fire agreement revenues from an agreement with Yakima County Fire Protection District No. 2.

111 Street Improvement \$ 103,913 Restricted

The Restricted balance represents amounts received as deposits in lieu of bonds or contributions by private sources for future construction projects.

113 Paths & Trails \$ 3,558 Restricted

The Restricted balance is due to expenditure limitations imposed by 47.30 RCW.

115 Local Access Street Improvements \$ 283,349 Restricted

The Restricted balance represents transfers in from other operating funds for future street improvements.

119 Transit \$ 665,363 Restricted

The Restricted balance is due to expenditure limitations imposed by 82.14.045 RCW.

171 Public Works Equipment Reserve \$ 556,516 Restricted

The Restricted balance is for future acquisitions of Public Works equipment.

180 Drugs & Alcohol Community Reserve \$ 4,217 Restricted

The Restricted balance is for future drug and alcohol education, prevention, treatment and enforcement activities.

181 Crime Prevention Accumulative Reserve \$ 3,218 Restricted

The Restricted balance is for future crime prevention activities, personnel, equipment and other materials that promote crime prevention and public safety.

301 Capital Improvement \$ 732,121 Restricted

The Restricted balance is due to expenditure limitations imposed by 82.46.010 RCW.

411 Water \$ 758,574 Committed

The Committed balance is for future Water Reservoir Replacement and implementation of automated meter read technology.

NOTE 2 - BUDGET COMPLIANCE

The city adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level (except the General 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 follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
001 General Fund:			
Legislative	\$ 50,611	\$ 51,263	\$ (652)
Court	155,883	151,923	3,960
Executive	375,047	384,110	(9,063)
Financial/Record Svcs.	174,977	159,393	15,584
Legal	248,176	232,440	15,736
Centralized Svcs	30,760	26,817	3,943
Police	2,390,521	2,343,411	47,110
Detention/Corrections	103,655	93,537	10,118
Emergency Services	4,778	4,855	(77)
Pollution Control	3,186	3,186	0
Animal Control	58,128	56,828	1,300
Planning	117,015	93,532	23,483
Housing & Community Dev.	246,252	239,307	6,945
Substance Abuse	2,500	5,744	(3,244)
Participant Recreation	152,166	136,618	15,548
Parks	503,451	435,589	67,862
Transfers	129,000	126,000	3,000
Debt Service	80,419	81,049	(630)
Capital Expenditures	300,266	256,512	43,754
Total General Fund	\$ 5,126,791	\$ 4,882,114	\$ 244,677
Fund	Final Appropriated Amounts	Actual Expenditures	Variance
103 Fire Control	\$ 1,907,334	\$ 1,564,559	\$ 342,775
110 City Street	644,966	566,695	78,271
111 Street Improvement	386,338	163,417	222,921
113 Paths & Trails	0	0	0
115 Local Access St Improv	81,293	45,138	36,155
118 Civic Center	166,349	153,264	13,085
119 Transit	506,302	478,704	27,598
121 Tourism	50,435	39,403	11,032
140 Contingency Reserve	0	0	0
150 Fire Equip Reserve	191,516	38,668	152,848
153 EMS Equip Reserve	0	0	0
170 CE Equipment Reserve	147,279	90,604	56,675
171 PW Equip Reserve	78,390	72,809	5,581
180 Drugs & Alcohol Com Res	0	0	0
181 Crime Prevention Res	0	0	0
301 Capital Improvement	93,675	68,181	25,494
303 Fire Control Bldg Reserve	0	0	0
308 Civic Center Capital Project	7,635	7,635	0
310 CE Bldg/Prop Reserve	0	0	0
411 Water	2,179,258	2,086,104	93,154
415 Sewer	4,902,734	2,594,448	2,308,286
420 Solid Waste	1,067,874	1,052,313	15,561
461 Water Reserve	30,000	14,416	15,584
465 Sewer Reserve	242,000	147,998	94,002

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.

NOTE 3 – DEPOSITS AND INVESTMENTS

The city's investments are reported at original cost.

Deposits and Investments by type at December 31, 2021 are as follows:

<u>Type of Deposit or Investment</u>	<u>Balance</u>
Bank Deposits	\$ 635,038
Local Govt. Investment Pool	2,116,476
Money Market Account	6,036,356
Certificate of Deposit	2,000,000
FNMA/FFCB/RFCSP/FHLMC Govt Obligations	7,077,349
Total	<u>\$17,865,219</u>

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.

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

NOTE 4 - PROPERTY TAX

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the city. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The city's regular levy for the year 2021 was \$2.55 per \$1,000 on an assessed valuation of \$857,834,436 for a total regular levy of \$2,183,356.

NOTE 5 - INTERFUND LOANS

As of December 31, 2021 the city had no interfund loans.

NOTE 6 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Long Term Liabilities (09) provides a listing of the outstanding debt and liabilities of the city and summarizes the city's debt transactions for 2021. The debt service requirements for future payment

requirements, including interest, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	748,893	53,699	802,592
2023	373,731	39,701	413,432
2024	306,633	35,110	341,743
2025	309,220	29,473	338,693
2026	254,898	23,707	278,605
2027 – 2031	852,941	82,065	935,006
2032 - 2036	<u>712,068</u>	<u>26,746</u>	<u>738,814</u>
TOTALS	\$ <u>3,558,384</u>	\$ <u>290,501</u>	\$ <u>3,848,885</u>

NOTE 7 – OPEB PLANS

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the city as required by RCW 41.26. The plan pays for 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2021, the plan had 2 members, all retirees. As of December 31, 2021, the city’s total OPEB liability was \$ 988,067, as calculated using the alternative measurement method. For the year ended December 31, 2021, the city paid \$ 94,137 in benefits.

NOTE 8 - PENSION PLANS

Substantially all city full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans: Public Employee Retirement System or the Law Enforcement Officers and Firefighters Retirement System administered by the Washington State Department of Retirement Systems.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 PO Box 48380
 Olympia, WA 98504-8380

Also, the DRS CAFR may be downloaded from the DRS website at 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 CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2021 (the measurement date of the plans), the city’s proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	.016477	\$ 201,223
PERS 2/3	.021149	(2,106,781)
LEOFF 1	.002190	(75,020)
LEOFF 2	.045369	(2,635,219)
VFFRPF	.54	118,781

The city also participates in LEOFF Plan 1. The LEOFF 1 Plan 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.

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 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 \$ 1,000. 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 sublimits. The Board of Directors determines the limits and terms of coverage annually.

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

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims 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.

NOTE 10 – COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

For 2021 the City's recreational program continued to have revenues and expenditures significantly reduced from budget, as well as financial activities at the community Civic Center. Tax revenues were not adversely impacted.

It is anticipated that recreational programs and activities at the community Civic Center will return to normal in 2022.

CITY OF SELAH NOTES TO FINANCIAL STATEMENTS 2020

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 government and provides Public Safety, Solid Waste Disposal, Fire Prevention, Street Maintenance & Improvement, Parks & Recreation, Municipal Court and General Administration 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 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 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 (Current Expense)

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

FIDUCIARY FUND TYPES:

Custodial Funds

These funds are used to account for assets that the city holds on behalf of others in a custodial capacity.

b. Basis of Accounting and Measurement Focus

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

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

c. Cash and Investments

See Note 3, Deposits and Investments

d. Capital Assets

Capital assets are long-lived assets of the city and are recorded as 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 indefinitely. Sick leave accrued after January 1, 2000 will be accounted for such that employees may, upon retirement (which shall be defined as immediately receiving PERS or LEOFF payments), exercise an option to convert any of this unused sick leave at a rate equal to one (1) full day of the employee's monetary compensation for each four (4) full days accrued sick leave up to a maximum of 180 days converted to a maximum of 45 days pay.

Upon separation employees do not receive payment for unused sick leave.

f. Long-Term Debt

See Note 6, Debt Service Requirements

g. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is 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 Council. Commitments are established and rescinded by Ordinance.

When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Restrictions and Commitments of Ending Cash and Investments consist of:

001 General \$ 418,212 Committed

The Committed balance is for future debt service on Marudo Bond debt service.

103 Fire Control \$ 400,000 Committed \$ 1,470,659 Restricted

The Committed balance is a reservation set aside for future Fire fund needs.

The Restricted balance represents unexpended joint fire agreement revenues from an agreement with Yakima County Fire Protection District No. 2.

111 Street Improvement \$ 103,858 Restricted

The Restricted balance represents amounts received as deposits in lieu of bonds or contributions by private sources for future construction projects.

113 Paths & Trails \$ 2,912 Restricted

The Restricted balance is due to expenditure limitations imposed by 47.30 RCW.

115 Local Access Street Improvements \$ 247,693 Restricted

The Restricted balance represents transfers in from other operating funds for future street improvements.

119 Transit \$ 464,565 Restricted

The Restricted balance is due to expenditure limitations imposed by 82.14.045 RCW.

171 Public Works Equipment Reserve \$ 505,878 Restricted

The Restricted balance is for future acquisitions of Public Works equipment.

180 Drugs & Alcohol Community Reserve \$ 3,835 Restricted

The Restricted balance is for future drug and alcohol education, prevention, treatment and enforcement activities.

181 Crime Prevention Accumulative Reserve \$ 2,676 Restricted

The Restricted balance is for future crime prevention activities, personnel, equipment and other materials that promote crime prevention and public safety.

301 Capital Improvement \$ 617,360 Restricted

The Restricted balance is due to expenditure limitations imposed by 82.46.010 RCW.

411 Water \$ 697,548 Committed

The Committed balance is for future Water Reservoir Replacement and implementation of automated meter read technology.

NOTE 2 - BUDGET COMPLIANCE

The city adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level (except the General 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 follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
001 General Fund:			
Legislative	\$ 47,658	\$ 46,148	\$ 1,510
Court	152,318	142,282	10,036
Executive	215,279	208,094	7,185
Financial/Record Svcs.	219,360	197,835	21,525

Legal	204,478	194,098	10,380
Centralized Svcs	288,417	289,277	(860)
Police	2,441,619	2,354,866	86,753
Detention/Corrections	129,537	62,577	66,960
Emergency Services	4,737	4,701	36
Pollution Control	3,128	3,128	0
Animal Control	58,202	55,672	2,530
Planning	155,009	138,666	16,343
Housing & Community Dev.	304,443	315,635	(11,192)
Substance Abuse	2,500	0	2,500
Participant Recreation	235,321	162,357	72,964
Parks	561,395	444,278	117,117
Transfers	514,441	511,441	3,000
Debt Service	453,382	452,812	570
Capital Expenditures	218,529	203,154	15,375
Total General Fund	\$ 6,209,753	\$ 5,787,021	\$ 422,732
Fund	Final Appropriated Amounts	Actual Expenditures	Variance
103 Fire Control	\$ 1,800,400	\$ 1,695,336	\$ 105,064
110 City Street	669,334	575,600	93,734
111 Street Improvement	1,216,237	1,184,401	31,836
113 Paths & Trails	0	0	0
115 Local Access St Improv	167,461	82,876	84,585
118 Civic Center	181,262	128,072	53,190
119 Transit	461,490	430,689	30,801
121 Tourism	42,482	30,393	12,089
140 Contingency Reserve	0	0	0
150 Fire Equip Reserve	398,000	374,563	23,437
153 EMS Equip Reserve	0	0	0
170 CE Equipment Reserve	183,108	177,659	5,449
171 PW Equip Reserve	79,000	64,687	14,313
180 Drugs & Alcohol Com Res	2,708	2,708	0
181 Crime Prevention Res	2,707	2,707	0
301 Capital Improvement	237,946	166,680	71,266
303 Fire Control Bldg Reserve	2,320	2,320	0
308 Civic Center Capital Project	0	0	0
310 CE Bldg/Prop Reserve	169,000	169,000	0
411 Water	2,559,067	2,526,223	32,844
415 Sewer	2,983,653	2,826,646	157,007
420 Solid Waste	1,065,595	1,015,087	50,508
461 Water Reserve	231,500	195,261	36,239
465 Sewer Reserve	260,750	202,225	58,525

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.

NOTE 3 – DEPOSITS AND INVESTMENTS

The city's investments are reported at original cost.

Investments by type at December 31, 2020 are as follows:

<u>Type of Investment</u>	<u>Balance</u>
Bank Deposits	\$ 634,888
Local Govt. Investment Pool	2,114,263
Money Market Account	3,191,891
Certificate of Deposit	3,000,000
FNMA/FFCB/RFCSP/FHLMC Govt Obligations	<u>4,554,547</u>
Total	<u>\$13,495,589</u>

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.

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

NOTE 4 - PROPERTY TAX

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the city. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The city's regular levy for the year 2020 was \$2.61 per \$1,000 on an assessed valuation of \$812,749,684 for a total regular levy of \$2,122,819.

NOTE 5 - INTERFUND LOANS

As of December 31, 2020 the city had no interfund loans.

NOTE 6 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Long Term Liabilities (09) provides a listing of the outstanding debt and liabilities of the city and summarizes the city's debt transactions for 2019. The debt service requirements for future payment requirements, including interest, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	605,551	65,665	671,216
2022	748,893	53,699	802,592
2023	373,731	39,701	413,432
2024	306,633	35,109	341,742
2025	309,220	29,473	338,693
2026 – 2030	937,250	93,098	1,030,348
2031 - 2035	782,504	37,089	819,593
2036	<u>100,152</u>	<u>1,488</u>	<u>101,640</u>
TOTALS	\$ <u>4,163,934</u>	\$ <u>355,322</u>	\$ <u>4,519,256</u>

NOTE 7 – OPEB PLANS

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the city as required by RCW 41.26. The plan pays for 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2020, the plan had 2 members, all retirees. As of December 31, 2020, the city’s total OPEB liability was \$ 1,151,313, as calculated using the alternative measurement method. For the year ended December 31, 2020, the city paid \$ 46,580 in benefits.

NOTE 8 - PENSION PLANS

Substantially all city full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans: Public Employee Retirement System or the Law Enforcement Officers and Firefighters Retirement System administered by the Washington State Department of Retirement Systems.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Also, the DRS CAFR may be downloaded from the DRS website at 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 CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2020 (the measurement date of the plans), the city’s proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	.016489	\$ 582,151
PERS 2/3	.021577	275,958
LEOFF 1	.002407	(45,456)
LEOFF 2	.048094	(981,047)
VFFRPF	.57	201,371

The city also participates in LEOFF Plan 1. The LEOFF 1 Plan 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.

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 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 162 members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

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

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims 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.

NOTE 10 – COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

As a result, the City's recreational program revenues and expenditures were significantly reduced from budget, as well as financial activities at the community Civic Center. Tax revenues were not adversely impacted.

It is anticipated that recreational programs and activities at the community Civic Center will return to normal in 2021.

**City of Selah
Schedule of Liabilities
For the Year Ended December 31, 2021**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	12/4/2014 GO Bonds	12/1/2022	400,000	-	45,000	355,000
263.85	1/3/2012 SIED Loan for St Improv.	6/1/2022	44,599	-	22,031	22,568
263.83	2016 WA State Energy Loan	12/1/2025	250,557	-	45,837	204,720
Total General Obligation Debt/Liabilities:			695,156	-	112,868	582,288
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		246,478	9,674	-	256,152
263.88	8/30/2001 PWTF Loan	6/1/2021	169,488	-	169,488	-
263.88	7/14/2003 PWTF Loan	6/1/2023	204,893	-	68,298	136,595
263.88	9/15/2006 2005 DWSRF Loan	10/1/2026	505,858	-	84,310	421,548
263.88	3/20/2013 DWSRF DM12-952-093	10/1/1936	986,110	-	70,436	915,674
263.88	9/24/2014 DWSRF DM13-952-130	10/1/1937	571,862	-	35,741	536,121
263.88	10/3/2016 DWSRF DM16-952-030	10/1/2036	1,030,568	-	64,410	966,158
264.30	Net Pension Liability		1,059,480	-	739,476	320,004
264.40	OPEB Liabilities		1,151,313	-	163,246	988,067
Total Revenue and Other (non G.O.) Debt/Liabilities:			5,926,050	9,674	1,395,405	4,540,319
Total Liabilities:			6,621,206	9,674	1,508,273	5,122,607

**City of Selah
Schedule of Liabilities
For the Year Ended December 31, 2020**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	12/4/2014 GO Bonds	12/1/2022	810,000	-	410,000	400,000
263.85	1/3/2012 SIED Loan for St Improv.	6/1/2022	66,105	-	21,506	44,599
263.83	2016 WA State Energy Loan	12/1/2025	294,211	-	43,654	250,557
Total General Obligation Debt/Liabilities:			1,170,316	-	475,160	695,156
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		276,959	-	30,481	246,478
263.88	8/30/2001 PWTF Loan	6/1/2021	338,976	-	169,488	169,488
263.88	7/14/2003 PWTF Loan	6/1/2023	273,191	-	68,298	204,893
263.88	9/15/2006 2005 DWSRF Loan	10/1/2026	590,168	-	84,310	505,858
263.88	3/20/2013 DWSRF DM12-952-093	10/1/1936	1,056,546	-	70,436	986,110
263.88	9/24/2014 DWSRF DM13-952-130	10/1/1937	607,603	-	35,741	571,862
263.88	10/3/2016 DWSRF DM16-952-030	10/1/2036	1,080,541	14,437	64,410	1,030,568
264.30	Net Pension Liability		885,808	173,672	-	1,059,480
264.40	OPEB Liabilities		1,050,242	101,071	-	1,151,313
Total Revenue and Other (non G.O.) Debt/Liabilities:			6,160,034	289,180	523,164	5,926,050
Total Liabilities:			7,330,350	289,180	998,324	6,621,206

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. 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.

Stay connected at sao.wa.gov

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov