



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Liberty Lake

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

Published February 10, 2022

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

February 10, 2022

Mayor and City Council
City of Liberty Lake
Liberty Lake, Washington

Report on Financial Statements

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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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 Liberty Lake January 1, 2020 through December 31, 2020

Mayor and City Council
City of Liberty Lake
Liberty Lake, 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 Liberty Lake, as of and for the year ended December 31, 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 22, 2021.

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.

As discussed in Note 3 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Management's plans in response to this matter are also described in Note 3.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

December 22, 2021

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

City of Liberty Lake January 1, 2020 through December 31, 2020

Mayor and City Council
City of Liberty Lake
Liberty Lake, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Liberty Lake, for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 10.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Liberty Lake has prepared these financial statements to meet the financial reporting requirements of state law using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Liberty Lake, and its changes in cash and investments, for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Liberty Lake, as of December 31, 2020, or the changes in financial position or cash flows thereof for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Matters of Emphasis

As discussed in Note 3 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Management's plans in response to this matter are also described in Note 3. Our opinion is not modified with respect to this matter.


Other Matters

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

December 22, 2021

FINANCIAL SECTION

City of Liberty Lake January 1, 2020 through December 31, 2020

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2020

City of Liberty Lake
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		Total for All Funds (Memo Only)	001 General Fund	115 Tourism Promotion Fund	116 Tourism Promotion Capital Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	7,176,076	4,565,201	33,086	159,520
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	9,208,930	7,891,198	53,448	33,821
320	Licenses and Permits	910,846	910,846	-	-
330	Intergovernmental Revenues	5,022,165	1,586,254	-	-
340	Charges for Goods and Services	1,054,680	165,441	-	-
350	Fines and Penalties	73,778	73,778	-	-
360	Miscellaneous Revenues	366,562	231,783	216	1,093
Total Revenues:		16,636,961	10,859,300	53,664	34,914
Expenditures					
510	General Government	1,806,032	1,767,920	-	-
520	Public Safety	2,183,800	2,183,800	-	-
530	Utilities	-	-	-	-
540	Transportation	717,721	605,692	-	-
550	Natural/Economic Environment	991,506	719,729	31,344	-
560	Social Services	3,881	3,881	-	-
570	Culture and Recreation	2,293,876	1,781,553	-	-
Total Expenditures:		7,996,816	7,062,575	31,344	-
Excess (Deficiency) Revenues over Expenditures:		8,640,145	3,796,725	22,320	34,914
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,935,869	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	83,052	83,052	-	-
Total Other Increases in Fund Resources:		2,018,921	83,052	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,499,656	456,398	-	-
591-593, 599	Debt Service	149,885	65,249	-	-
597	Transfers-Out	1,935,869	574,435	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		5,585,410	1,096,082	-	-
Increase (Decrease) in Cash and Investments:		5,073,656	2,783,695	22,320	34,914
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	3,025,828	-	55,405	194,434
50841	Committed	1,867,424	1,302,487	-	-
50851	Assigned	1,617,169	307,092	-	-
50891	Unassigned	5,739,316	5,739,316	-	-
Total Ending Cash and Investments		12,249,737	7,348,895	55,405	194,434

The accompanying notes are an integral part of this statement.

City of Liberty Lake
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		117 Tourism Promotion Area (TPA)	214 City Land LTGO Bond Fund	310 REET 1 Capital Projects Fund	311 REET 2 Special Capital Projects Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	20,744	-	39,346	237,811
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	551,679	551,679
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	1,400,000	1,400,000
340	Charges for Goods and Services	74,048	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	233	-	4,068	5,491
Total Revenues:		74,281	-	1,955,747	1,957,170
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	78,440	-	42,500	42,500
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		78,440	-	42,500	42,500
Excess (Deficiency) Revenues over Expenditures:		(4,159)	-	1,913,247	1,914,670
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	80,413	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	80,413	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	42,787	193,834
591-593, 599	Debt Service	-	80,412	-	-
597	Transfers-Out	-	-	1,361,434	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	80,412	1,404,221	193,834
Increase (Decrease) in Cash and Investments:		(4,159)	1	509,026	1,720,836
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	548,372	1,958,647
50841	Committed	16,584	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		16,584	-	548,372	1,958,647

The accompanying notes are an integral part of this statement.

City of Liberty Lake
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		312 Street Capital Fund	314 Orchard Park	318 Harvard Road Bridge Widening Fund	319 Henry Rd Project From Mission To
Beginning Cash and Investments					
308	Beginning Cash and Investments	93,909	11,078	317,128	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	332,270	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	333	1	1,265	-
Total Revenues:		332,603	1	1,265	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	17,521	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		17,521	-	-	-
Excess (Deficiency) Revenues over Expenditures:		315,082	1	1,265	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	400,000	95,522	-	1,344,934
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		400,000	95,522	-	1,344,934
Other Decreases in Fund Resources					
594-595	Capital Expenditures	445,881	106,188	299,726	1,309,954
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		445,881	106,188	299,726	1,309,954
Increase (Decrease) in Cash and Investments:		269,201	(10,665)	(298,461)	34,980
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	18,667	-
50851	Assigned	363,112	413	-	34,980
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		363,112	413	18,667	34,980

The accompanying notes are an integral part of this statement.

City of Liberty Lake
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		320 Harvard Road Mitigation Fund	330 Library Capital Fund	331 Municipal Facilities Fund Master Plan	334 Police Capital Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	181,972	94,918	341,120	60,367
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	303,641	-	-	-
340	Charges for Goods and Services	184,035	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,405	627	2,115	397
Total Revenues:		489,081	627	2,115	397
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	75,000	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		75,000	-	-	-
Excess (Deficiency) Revenues over Expenditures:		414,081	627	2,115	397
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:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	535,303	-	67,843	3,253
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		535,303	-	67,843	3,253
Increase (Decrease) in Cash and Investments:		(121,222)	627	(65,728)	(2,856)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	60,751	-	-	-
50851	Assigned	-	95,545	275,392	57,511
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		60,751	95,545	275,392	57,511

The accompanying notes are an integral part of this statement.

City of Liberty Lake
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		335 Community Messaging Fund	336 Underground Utility Fund	337 Building Contingency Fund	410 Stormwater Utility Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	90,945	103,530	137,538	128,726
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	77,461
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	603	686	912	831
Total Revenues:		603	686	912	78,292
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	68,475
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	68,475
Excess (Deficiency) Revenues over Expenditures:		603	686	912	9,817
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:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	4,224
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	4,224
Increase (Decrease) in Cash and Investments:		603	686	912	5,593
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	91,547	104,216	138,450	134,322
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		91,547	104,216	138,450	134,322

The accompanying notes are an integral part of this statement.

City of Liberty Lake
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		411 Aquifer Protection Fund	420 Golf Operations Fund	501 Unemployment Fund	502 Medical Reimbursement (Bridge) Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	243,795	167,616	-	147,726
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	49,644	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	625,658	5,498	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,563	112,020	-	920
Total Revenues:		51,207	737,678	5,498	920
Expenditures					
510	General Government	-	-	5,498	32,614
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	26,033	-	-	-
550	Natural/Economic Environment	-	1,993	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	512,323	-	-
Total Expenditures:		26,033	514,316	5,498	32,614
Excess (Deficiency) Revenues over Expenditures:		25,174	223,362	-	(31,694)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	15,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	15,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	38,489	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	38,489	-	-
Increase (Decrease) in Cash and Investments:		25,174	184,873	-	(16,694)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	268,970	-	-	-
50841	Committed	-	400	-	-
50851	Assigned	-	352,092	-	131,032
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		268,970	352,492	-	131,032

The accompanying notes are an integral part of this statement.

City of Liberty Lake
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>Custodial</u>
308	Beginning Cash and Investments	-
388 & 588	Net Adjustments	-
310-390	Additions	91,300
510-590	Deductions	91,300
	Net Increase (Decrease) in Cash and Investments:	-
508	Ending Cash and Investments	-

The accompanying notes are an integral part of this statement.

City of Liberty Lake
Notes to the Financial Statements
For the year ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies

The City of Liberty Lake was incorporated on August 31, 2001 and operates under the laws of the state of Washington applicable to a second-class city with a mayor-council form of government. The City is a general purpose local government and provides general government services including public safety, library, street maintenance and improvements, parks and recreation, planning, zoning, code enforcement, and general administrative services. In addition, the City owns and operates a golf course.

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 similar to the ending balance classification 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.

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

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

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

B. Basis of Accounting and Measurement Focus

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

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

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 640 hours for non-represented employees. Sick leave may be

accumulated up to 1080 hours for union employees with the Liberty Lake Police Department. Upon separation or retirement, non-represented employees do not receive payment for unused sick leave. Accrued sick leave, up to a maximum of 640 hours, will be payable upon the official retirement of a union employee with the Liberty Lake Police Department. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 6

G. 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 ordinance or resolution of the City Council. 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 :

Fund	Amount	Reason for Reserved Fund Balance
001 - General Fund	\$ 1,302,487.25	Ordinance No. 04, 107-D, 131-C
115 - Tourism Promotion Fund	\$ 55,405.34	Ordinance No. 17
116 - Tourism Promotion Capital Fund	\$ 194,434.12	Ordinance No. 17-B
117 - Tourism Promotion Area Fund	\$ 16,584.26	Ordinance No. 127
310 - REET 1 Capital Projects Fund	\$ 548,371.71	Ordinance No. 15
311 - REET 2 Special Capital Projects Fund	\$ 1,958,647.02	Ordinance No. 16
318 - Harvard Road Bridge Widening Fund	\$ 18,667.15	Ordinance No. 249
320 - Harvard Road Mitigation Fund	\$ 60,751.32	Ordinance No. 83
335 - Community Messaging Fund	\$ 91,547.49	Ordinance No. 226
336 - Underground Utility Fund	\$ 104,215.74	Ordinance No. 226
337 - Building Contingency Fund	\$ 138,449.90	Ordinance No. 226
410 - Stormwater Utility Fund	\$ 134,322.29	Ordinance No. 88A
411 - Aquifer Protection Fund	\$ 268,969.61	Ordinance No. 208
420 - Golf Operations Fund	\$ 400.00	Ordinance No. 116A

Note 2 - Budget Compliance

The City adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
001 - General Fund	8,681,166.00	6,890,686.52	1,790,479.48
110 - Street Fund	1,230,931.00	1,259,421.21	(28,490.21)
111 - Parks & Art Fund	53,000.00	8,548.58	44,451.42
115 - Tourism Promotion Fund	62,000.00	31,344.32	30,655.68
117 - Tourism Promotion Area (TPA)	60,150.00	78,440.45	(18,290.45)
214 - City Land LTGO Bond Fund	80,760.00	80,412.58	347.42
310 - REET 1 Capital Projects Fund	697,000.00	1,446,721.35	(749,721.35)
311 - REET 2 Special Capital Projects Fund	800,000.00	236,333.91	563,666.09
312 - Street Capital Fund	925,000.00	463,400.95	461,599.05
314 - Orchard Park	1,012,562.00	106,188.45	906,373.55
318 - Harvard Road Bridge Widening Fund	-	299,725.37	(299,725.37)
319 - Henry Rd Project From Mission To Appleway	1,537,822.00	1,309,954.24	227,867.76
320 - Harvard Road Mitigation Fund	380,000.00	610,302.25	(230,302.25)
330 - Library Capital Fund	60,000.00		60,000.00
331 - Municipal Facilities Fund Master Plan	100,000.00	67,842.57	32,157.43
334 - Police Capital Fund	60,000.00	3,252.80	56,747.20
335 - Community Messaging Fund	-	-	-
337 - Building Contingency Fund	125,000.00		125,000.00
410 - Stormwater Utility Fund	126,964.00	72,696.83	54,267.17
411 - Aquifer Protection Fund	81,850.00	26,032.84	55,817.16
420 - Golf Operations Fund	587,966.00	552,802.73	35,163.27
501 - Unemployment Fund	20,000.00	5,497.51	14,502.49
502 - Medical Reimbursement (Bridge) Fund	175,000.00	32,613.76	142,386.24
630 - Custodial Fund-State Of Washington Collections/remittances	-	91,299.73	(91,299.73)

Budgeted amounts are authorized to be transferred between 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.

Fund 110 (Streets Fund) exceeded appropriation related to the Public Works Yard being broken into and a fleet vehicle being stolen. The items stolen were replaced and an insurance claim was received in the amount of \$44,013.37.

Fund 117 (Tourism Promotion Area) exceeded appropriations due to collection of 2018 revenue that was received by the City in 2019. Thru the City agreement with Visit Spokane, they are to receive dollars generated by the Tourism Promotion Area. In 2020, the City issued payment to Visit Spokane from the late collection in 2019.

Fund 310 (REET 1 Capital Projects Fund) exceeds appropriation due to the Henry Rd Overpass Project. Once project is complete, the City will be refunded from the LIFT.

Fund 318 (Harvard Rd Widening Fund) was budgeted for completion in 2019 and the project carried forward into 2020.

Fund 320 (Harvard Rd Mitigation Fund) exceeded appropriations due to the Appleway/Madsen Project carryover from 2019 and starting early construction on the traffic signal for the new high school.

Fund 630 (Custodial Fund) was a new fund created due to the impact of GASB 84.

Note 3 – 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 were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

At the onset of the pandemic, the City of Liberty Lake closed city hall, the Liberty Lake Municipal Library and Trailhead Golf Course to mitigate the spread of the virus. There was initial concern about the financial impact that reduced sales, construction and use of city services would have on the revenue. However, the CARES Act allocation, along with relatively sustained economic activity has left the city in a better position than anticipated.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the City of Liberty Lake is unknown at this time.

Note 4 – Deposits and Investments

Investments are reported at original cost. Deposits and investments by type at December 31, 2020, are as follows:

Type of Deposit or Investment	
Bank deposits	\$ 1,194,095.50
Revolving Petty Cash/Change Funds	\$ 834.00
Local Government Investment Pool	\$ 10,731,964.54
Money Market	\$ 429.90
CD(s)	\$ 322,414.04
TOTAL	\$ 12,249,737.98

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

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.

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.

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2020:

Borrowing	Lending	Balance			Balance
<u>Fund</u>	<u>Fund</u>	<u>1/1/2020</u>	<u>New Loans</u>	<u>Repayments</u>	<u>12/31/2020</u>
Harvard Rd Mitigation	General	\$ 610,000.00	\$ -	\$ -	\$ 610,000.00
	TOTALS	\$ 610,000.00	\$ -	\$ -	\$ 610,000.00

Note 6 – Long-Term Debt

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, 2020.

The long-term debt for general obligation debt/liabilities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 486,272.31	\$ 21,727.69	\$ 508,000.00
TOTALS	\$ 486,272.31	\$ 21,727.69	\$ 508,000.00

Note 7 – Pension Plans

A. State Sponsored 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 Employees' Retirement System (PERS) and Law Enforcement Officer's and Fire Fighters' Retirement System (LEOFF).

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2020, the City's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$ 98,656	0.013612%	480,577
PERS 2/3	\$ 164,150	0.017819%	227,895
LEOFF 2	54,937.64	0.028084%	(572,873)

LEOFF Plan 2

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

B. Defined Contribution Pension Plans

The City participates in a 401(a) Money Purchase Plan which is a qualified defined contribution retirement plan. The plan administrator is ICMA-RC.

All full-time, permanent employees of the City are eligible to enroll in the 401(a) Money Purchase Plan with the exception of police officers who are members of the LEOFF Plan 2 system.

The contribution percentage rate for employees and the City and the amount the City contributed for 2020 are as follows:

Employee	Emp%	City%	CityContr
City Administrator	11	12.75	\$17,741.76
Non-represented	3.1-6	N/A	N/A
Police Officers	N/A	5.25	\$59,025.76

Historical trend or other information regarding the plan is presented in the ICMA Retirement Corporation annual financial report. A copy of this report may be obtained by writing or calling:

VantageTrust
c/o ICMA Retirement Corporation
777 N. Capital St. NE
Washington, DC 20002-4200
202-962-4600 or 800-669-7400

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 at 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 \$1.4697 per \$1,000 on an assessed valuation of \$1,827,805,407 for a total regular levy of \$2,686,292.58.

Note 9 – Risk Management

The City of Liberty Lake is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2020, there are 193 members in the program.

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

The program acquires liability insurance through their administrator, Clear Risk Solutions, which is subject to a per-occurrence self-insured retention (SIR) of \$100,000, with the exception of Wrongful Acts and Law Enforcement Liability, which have a self-insured retention of \$25,000. Members are responsible for a \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the \$100,000 retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members toward the sharing of the \$100,000 of the self-insured retention, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, with an attachment point of \$2,147,814.

Property insurance is subject to a per-occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self-insured retention, in addition to the deductible.

Privacy and Network Liability coverage is offered with a \$10,000 member deductible that is part of a \$25,000 self-insured retention. The CIAW is responsible for the \$15,000 balance.

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

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

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

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has

been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ending December 1, 2020, were \$2,651,954.

The City of Liberty Lake's unemployment claims are self-insured and claims are paid to the Employment Security Department. Claims paid in 2020 amounted to \$5497.51.

Note 10 – Health & Welfare

The City of Liberty Lake is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2020, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance

of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

Note 11 – Other Disclosures

The City of Liberty Lake has a Tax Increment Financing (TIF) are within its boundaries. In the Tax Increment Financing district located north of I-90, the City does not receive the full increase in property tax revenue resulting from new construction and improvements. For this area, 75% of property taxes above the 2006 baseline are dedicated to the TIF funds managed by Spokane County. In 2020, approximately \$183,108.26 was dedicated to the TIF fund out of the City's regular property tax levy for infrastructure development projects. Calculations are performed by the Spokane County Treasurer's Office in January.

The City issued a check to Spokane County in 2020 for a total of \$160,000.00 to be invested in the LIFT (Local Infrastructure Financing Tool) to obtain the full amount of the tax distributions from the State. Per Resolution 07-103 and Resolution 07-105, the City is the participating local government and participating taxing district in the Revenue Development Area.

The City of Liberty Lake entered into an interlocal agreement with the Washington Department of Transportation for a multimodal project, I-90 to Barker to Harvard, which will improve interchanges and local roads. The City has agreed to contribute \$6,000,000 to the project that is located within the City. The City's contribution may include services and real estate acquired for the project. The project is included in the City's Capital Improvements Plan and is eligible for LIFT and TIF reimbursement and the City will seek reimbursement for any expenditure.

Construction Commitment

The City of Liberty Lake has an active construction project as of December 31, 2020.

At year-end, the City commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Ridgeline Signal Project	\$180,516.74	\$140,799.77

Of the committed balance of \$140,799.77 the City will be required to raise \$0.00 in future financing.

Ridgeline Signal is funded from a Transportation Improvement Board Grant and Harvard Road Mitigation Fund.

**City of Liberty Lake
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	General Obligation 6.4 Acres	6/1/2020	78,642	-	78,642	-
263.51	Wheel Loader #1		132,054	-	8,067	123,987
263.51	Wheel Loader #2		132,054	-	8,067	123,987
263.51	Hydraulic Excavator		52,548	-	6,372	46,176
263.51	Caterpillar Motor Grader		215,374	-	23,251	192,123
Total General Obligation Debt/Liabilities:			610,672	-	124,399	486,273
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated absences-Government		349,999	14,705	-	364,704
259.12	Compensated absences-Proprietary		8,513	-	96	8,417
264.30	Net Pension Liability		669,970	38,502	-	708,472
Total Revenue and Other (non G.O.) Debt/Liabilities:			1,028,482	53,207	96	1,081,593
Total Liabilities:			1,639,154	53,207	124,495	1,567,866

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.

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