



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Town of Beaux Arts Village

For the period January 1, 2019 through December 31, 2020

Published March 21, 2022

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

March 21, 2022

Mayor and Town Council
Town of Beaux Arts Village
Beaux Arts Village, Washington

Report on Financial Statements

Please find attached our report on the Town of Beaux Arts Village's financial statements.

We are issuing this report in order to provide information on the Town'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*

Town of Beaux Arts Village January 1, 2019 through December 31, 2020

Mayor and Town Council
Town of Beaux Arts Village
Beaux Arts Village, 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 Town of Beaux Arts Village, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Town's financial statements, and have issued our report thereon dated March 9, 2022.

We issued an unmodified opinion on the fair presentation of the Town'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 Town 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 9 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Town is unknown. Management's plans in response to this matter are also described in Note 9.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Town'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 Town's

internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 Town's financial statements are free from material misstatement, we performed tests of the Town'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 Town'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 Town'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

March 9, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Town of Beaux Arts Village January 1, 2019 through December 31, 2020

Mayor and Town Council
Town of Beaux Arts Village
Beaux Arts Village, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Town of Beaux Arts Village, for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Town'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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 Town'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 Town of Beaux Arts Village 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 Town of Beaux Arts Village, and its changes in cash and investments, for the years ended December 31, 2020 and 2019, 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 Town 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 Town of Beaux Arts Village, as of December 31, 2020 and 2019, or the changes in financial position or cash flows thereof for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Matters of Emphasis

As discussed in Note 9 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Town is unknown. Management's plans in response to this matter are also described in Note 9. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2022 on our consideration of the Town'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 Town's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

March 9, 2022

FINANCIAL SECTION

Town of Beaux Arts Village January 1, 2019 through December 31, 2020

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2020
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SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2020
Schedule of Liabilities – 2019

Town of Beaux Arts Village
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		Total for All Funds (Memo Only)	001 General Fund	101 Street Fund	103 Cumulative Reserve
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,112,453	499,161	10,083	334,304
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	376,147	268,728	-	98,778
320	Licenses and Permits	15,779	8,086	7,693	-
330	Intergovernmental Revenues	260,028	4,642	254,006	-
340	Charges for Goods and Services	83,795	11,441	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	9,776	3,896	-	2,949
Total Revenues:		745,525	296,793	261,699	101,727
Expenditures					
510	General Government	106,735	106,735	-	-
520	Public Safety	84,425	84,425	-	-
530	Utilities	49,080	-	-	-
540	Transportation	43,266	-	43,266	-
550	Natural/Economic Environment	21,309	21,309	-	-
560	Social Services	86	86	-	-
570	Culture and Recreation	16,256	16,256	-	-
Total Expenditures:		321,157	228,811	43,266	-
Excess (Deficiency) Revenues over Expenditures:		424,368	67,982	218,433	101,727
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	72,676	12,376	60,300	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	13,458	13,458	-	-
Total Other Increases in Fund Resources:		86,134	25,834	60,300	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	282,280	-	282,030	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	72,676	27,500	-	32,800
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	13,458	-	-	-
Total Other Decreases in Fund Resources:		368,414	27,500	282,030	32,800
Increase (Decrease) in Cash and Investments:		142,088	66,316	(3,297)	68,927
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	620,576	30,265	-	403,231
50841	Committed	-	-	-	-
50851	Assigned	98,751	-	6,785	-
50891	Unassigned	535,210	535,210	-	-
Total Ending Cash and Investments		1,254,537	565,475	6,785	403,231

The accompanying notes are an integral part of this statement.

Town of Beaux Arts Village
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		104 Criminal Justice Fund	401 Water Department
Beginning Cash and Investments			
308	Beginning Cash and Investments	189,435	79,470
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	8,641	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	1,380	-
340	Charges for Goods and Services	-	72,354
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	2,931
Total Revenues:		10,021	75,285
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	49,080
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		-	49,080
Excess (Deficiency) Revenues over Expenditures:		10,021	26,205
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	-	250
591-593, 599	Debt Service	-	-
597	Transfers-Out	12,376	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	13,458
Total Other Decreases in Fund Resources:		12,376	13,708
Increase (Decrease) in Cash and Investments:		(2,355)	12,497
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	187,080	-
50841	Committed	-	-
50851	Assigned	-	91,966
50891	Unassigned	-	-
Total Ending Cash and Investments		187,080	91,966

The accompanying notes are an integral part of this statement.

Town of Beaux Arts Village
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		Total for All Funds (Memo Only)	001 General Fund	101 Street Fund	103 Cumulative Reserve
Beginning Cash and Investments					
30810	Reserved	477,330	-	-	289,210
30880	Unreserved	709,731	627,816	8,564	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	309,430	244,895	-	55,118
320	Licenses and Permits	5,490	4,655	835	-
330	Intergovernmental Revenues	25,882	6,245	18,271	-
340	Charges for Goods and Services	90,245	21,168	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	35,814	17,961	-	9,327
Total Revenues:		466,861	294,924	19,106	64,445
Expenditures					
510	General Government	106,800	106,800	-	-
520	Public Safety	91,887	91,887	-	-
530	Utilities	58,988	-	-	-
540	Transportation	39,682	-	39,682	-
550	Natural and Economic Environment	13,177	13,177	-	-
560	Social Services	82	82	-	-
570	Culture and Recreation	14,540	14,540	-	-
Total Expenditures:		325,156	226,486	39,682	-
Excess (Deficiency) Revenues over Expenditures:		141,705	68,438	(20,576)	64,445
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	51,768	9,717	42,051	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	190,843	3,365	-	-
Total Other Increases in Fund Resources:		242,611	13,082	42,051	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	216,318	-	19,956	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	51,768	22,700	-	19,351
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	190,843	187,478	-	-
Total Other Decreases in Fund Resources:		458,929	210,178	19,956	19,351
Increase (Decrease) in Cash and Investments:		(74,613)	(128,658)	1,519	45,094
Ending Cash and Investments					
5081000	Reserved	523,739	-	-	334,304
5088000	Unreserved	588,714	499,161	10,083	-
Total Ending Cash and Investments		1,112,453	499,161	10,083	334,304

The accompanying notes are an integral part of this statement.

Town of Beaux Arts Village
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		104 Criminal Justice Fund	401 Water Department
Beginning Cash and Investments			
30810	Reserved	188,120	-
30880	Unreserved	-	73,351
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	9,417	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	1,366	-
340	Charges for Goods and Services	-	69,077
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	8,526
Total Revenues:		10,783	77,603
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	58,988
540	Transportation	-	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		-	58,988
Excess (Deficiency) Revenues over Expenditures:		10,783	18,615
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	-
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	-	-
381, 382, 395, 398	Other Resources	-	187,478
Total Other Increases in Fund Resources:		-	187,478
Other Decreases in Fund Resources			
594-595	Capital Expenditures	-	196,362
591-593, 599	Debt Service	-	-
597	Transfers-Out	9,467	250
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	-
581, 582	Other Uses	-	3,365
Total Other Decreases in Fund Resources:		9,467	199,977
Increase (Decrease) in Cash and Investments:		1,316	6,116
Ending Cash and Investments			
5081000	Reserved	189,435	-
5088000	Unreserved	-	79,470
Total Ending Cash and Investments		189,435	79,470

The accompanying notes are an integral part of this statement.

Town of Beaux Arts Village
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	52
510-590	Deductions	-
	Net Increase (Decrease) in Cash and Investments:	<u>52</u>
508	Ending Cash and Investments	52

The accompanying notes are an integral part of this statement.

Town of Beaux Arts Village
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		<u>Custodial</u>
308	Beginning Cash and Investments	13
388 & 588	Net Adjustments	-
310-390	Additions	26
510-590	Deductions	39
	Net Increase (Decrease) in Cash and Investments:	(13)
508	Ending Cash and Investments	-

The accompanying notes are an integral part of this statement.

TOWN OF BEAUX ARTS VILLAGE

NOTES TO FINANCIAL STATEMENTS

January 1 to December 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Beaux Arts Village was incorporated in May of 1954 and operates under the laws of the State of Washington applicable to a Town with a Mayor-Council form of government. The Town is a general-purpose local government and provides general administrative, public safety, fire prevention, street improvement, parks and recreation services. In addition, the Town owns and operates a water system for residents of Beaux Arts Village.

The Town 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. (See Note 8. Joint Ventures)
- 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 Town 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 #001

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

Special Revenue Funds -- Street Fund #101, Cumulative Reserve Fund #103, and Criminal Justice Fund #104

These funds account for specific revenues that are restricted, committed, or assigned to expenditures for specified purposes of the Town.

PROPRIETARY FUND TYPES:

Enterprise Funds -- Water Fund #401

This fund accounts for operations that provide goods or services (water) to the general public and are supported primarily through user charges.

FIDUCIARY FUND TYPES: Fiduciary funds account for assets held by the Town in a trustee capacity or as custodian on behalf of others.

Custodial Fund #631

This fund is used to account for assets that the Town of Beaux Arts Village 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 Town also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 3 – Deposits and Investments.

D. Capital Assets

Capital assets are assets with an initial cost of more than \$10,000 and an estimated useful life in excess of 10 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Employees of the Town of Beaux Arts Village are salaried and are paid on the basis of an expected monthly workload. They do not accrue or receive paid vacation leave or paid sick leave.

F. Long-Term Debt

The Town of Beaux Arts Village has no long-term debt.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the Town Council. When expenditures that meet restrictions are incurred, the Town of Beaux Arts Village intends to use the most restricted resources first.

Restrictions and commitment of Ending Cash and Investments consist of:

- Funds received from the King County Parks Levy are deposited into the General Fund #001 and are committed by County regulations for use in repairing, replacing, and improving local parks and trails in King County's cities. As of December 31, 2020, the balance of committed funds of this type totaled \$30,265.
- Funds received from real-estate excise taxes are deposited into the Cumulative Reserve Fund #103 and are restricted by RCW 82.46.010 and RCW 86.46.035 to funding capital projects that meet the parameters outlined in those statutes. As of December 31, 2020, the balance of restricted funds of this type totaled \$403,231.
- Funds received from state-shared criminal-justice revenues are deposited into the Criminal Justice Fund #104 and are restricted to funding police protection services and the purchase of equipment to support those services. As of December 31, 2020, the balance of restricted funds of this type totaled \$186,720.
- Funds received from permit applicants for pass-through to the State Building Code Council are deposited into the Custodial Fund #631 and may only be released to the State of Washington for distribution to that agency. As of December 31, 2020, the balance of restricted funds of this type totaled \$52.

H. Budget Compliance

The Town 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 is used for financial reporting.

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

Fund and Fund No.	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund #001	\$ 277,486	\$ 256,311	\$ (21,175)
Street Fund #101	\$ 393,200	\$ 325,292	\$ (67,908)
Cumulative Reserve Fund #103	\$ 106,350	\$ 32,800	\$ (73,550)
Criminal Justice Fund #104	\$ 12,736	\$ 12,736	\$ 0
Water Fund #401	\$ 73,791	\$ 62,789	\$ (11,002)
Custodial Fund #631	\$ 50	\$ 0	\$ (50)

Budgeted amounts are authorized to be transferred between departments and within any fund/object classes within departments; however, any revisions that alter the total expenditures budgeted for a fund or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Town Council.

Note 2 – INTERFUND LOANS

The following table displays interfund loan activity during 2020:

Borrowing Fund	Lending Fund	Balance 01/01/2020	Interest Accrued	Repayments	Balance 12/31/2020
Water Fund #401	General Fund #001	189,794	4,644	13,458	180,979
TOTALS		\$ 189,794	\$ 4,644	\$ 13,458	\$ 180,979

Note 3 – DEPOSITS AND INVESTMENTS

Investments are reported at fair value. Investments by type as of December 31, 2020 are as follows:

Type of Deposit or Investment	Town Deposits and Investments	Deposits and Investments held by the Town on behalf of others	Totals
Washington Federal Bank	142,260	52	142,310
LGIP	1,139,675	0	1,139,675
TOTAL	\$ 1,281,985	0	\$ 1,281,985

It is the policy of the Town of Beaux Arts Village to invest all temporary cash surpluses. The interest on investments is prorated to the various funds as follows: interest on funds held in #001, #101, and #104 is credited to the General Fund #001; interest on funds held in #103 and #401 is credited to #103 and #401 respectively.

Investments in the State Local Government Investment Pool (LGIP)

The Town 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 or 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 Town would not be able to recover deposits that are in possession of an outside party. The Town's deposits and certificates of deposit are mostly covered by the Federal Deposit Insurance Corporation (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 Town of Beaux Arts Village or its agent in the Town's name.

Note 4 – PENSION PLANS

The Town currently has no full-time employees. Qualifying part-time employees of the Town of Beaux Arts Village participate in the Public Employees Retirement System (PERS) administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public-employee defined-benefit and defined-contribution retirement plans.

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.gov.

As of June 30, 2020, the Town of Beaux Arts Village's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contribution	Allocation %	Liability (Asset)
PERS 1	\$ 2,479	0.000342%	\$ 12,074
PERS 2/3	\$ 4,082	0.000443%	\$ 5,666

Note 5 - 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 Town of Beaux Arts Village. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The Town of Beaux Arts Village's regular levy for 2020 was 0.85656 per \$1,000 on an assessed valuation of \$207,496,957 for a total regular levy of \$177,733 as set by Ordinance No. 443.

Note 6 – RISK MANAGEMENT

The Town of Beaux Arts Village is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2020, 103 municipalities/entities participate in the AWC RMSA pool.

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

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by National League of Cities Mutual Insurance Company (NLC MIC) for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The reinsurance coverage is purchased through NLC MIC and excess property coverage is purchased through Lexington Insurance Company and Chubb. In 2020, AWC RMSA carried a retention of \$200,000, NLC MIC reinsures up to \$3 million, Lexington provides excess insurance up to \$50 million, and limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

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

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

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

Note 7 – HEALTH AND WELFARE

The Town of Beaux Arts Village 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 to 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 8 – JOINT VENTURES

The Town is a participant (Party) in a joint venture with the cities of Bellevue, Bothell, Clyde Hill, Hunts Point, Issaquah, Kenmore, Kirkland, Medina, Mercer Island, Newcastle, Redmond, Sammamish, Woodinville and Yarrow Point called A Regional Coalition for Housing (ARCH). ARCH was created by an interlocal agreement to cooperatively formulate affordable housing goals and policies as required by the Growth Management Act. ARCH fosters efforts to provide affordable housing on the Eastside by combining public funding with private-sector resources.

ARCH is governed by an Executive Board composed of the chief executive officer from each Party. The Board is responsible for review and approval of all budgetary, financial, policy, and contractual matters and is assisted by a program manager, an administrative staff, and a Citizen Advisory Board. The City of Bellevue serves as the administering agency for ARCH for the purposed of recording financial data and issuing contracts on behalf of the Parties.

Each Party makes an annual monetary contribution to fund ARCH operations based on the Executive Board's budget. In addition, most of the Parties make an annual contribution to the ARCH Trust Fund. Due to its small size and funding limitations, the Beaux Arts Council has chosen to make only contributions toward operating expenses at this time.

For fiscal year 2020, Beaux Arts Village contributed \$2,000 for ARCH operations.

Financial information can be obtained from ARCH, c/o Lindsay Masters, 16225 NE 87th St, Suite A-3, Redmond, WA 98052.

Note 9 – COVID-19 PANDEMIC

In February 2020, The Governor of the state of Washington declared a state of emergency in response to the spread of a 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.

The Town of Beaux Arts Village is small and has no commercial activity, so the direct impact of this closure was minimal. In addition, Beaux Arts has no Town Hall, and the Town's clerk/treasurer and deputy clerk have worked from home offices for many years. Continuing this practice was simple. The only direct change was to minimize in-person contact with the general public out of an abundance of caution. In practice, this meant conducting business requiring the exchange of paperwork or payments either by mail, by email or by delivery.

With no Town Hall, the Town Council holds their meetings in private homes. The March 2020 meeting was cancelled due to the short notice of the shut-down orders and the uncertainty surrounding the spread of the virus. Regular meetings resumed remotely in April 2020 and have continued to be remote since then. Council agendas were initially limited to only necessary business while the state reviewed its OPMA requirements. As the state relaxed those requirements, Council agendas expanded to include matters requiring public hearings. Public access to these remote meetings has been publicized with the agenda for each meeting posted in public places throughout town and on the Town's website. Public hearing notices have been published and posted as required by local codes and state statutes.

The Planning Commission was unable to meet until OPMA rules were relaxed enough to allow them to hold a long-awaited public hearing in July 2020. Since that time, they have met remotely according to their normal meeting schedule. As with Council meetings, public access has been publicized with the meeting agenda. Public hearings have been published and posted as required by local codes and state statutes.

The length of time these measures will continue to be in place and the full extent of the financial impact on the Town of Beaux Arts Village is unknown at this time.

TOWN OF BEAUX ARTS VILLAGE

NOTES TO FINANCIAL STATEMENTS

January 1 to December 31, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Beaux Arts Village was incorporated in May of 1954 and operates under the laws of the State of Washington applicable to a Town with a Mayor-Council form of government. The Town is a general-purpose local government and provides general administrative, public safety, fire prevention, street improvement, parks and recreation, and health and social services.

The Town 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 Town 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: Governmental-fund operating statements focus on measuring changes in financial position, rather than net income; they present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

General Fund #001

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

Special Revenue Funds -- Street Fund #101, Cumulative Reserve Fund #103, and Criminal Justice Fund #104

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

PROPRIETARY FUND TYPES:

Enterprise Funds -- Water Fund #401

This fund accounts for operations that provide goods or services, i.e. water, to the general public and are supported primarily through user charges.

FIDUCIARY FUND TYPES: Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others.

Custodial Fund #631

This fund is used to account for assets that the Town of Beaux Arts Village holds for 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 Town 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 Town of Beaux Arts Village and are recorded as expenditures when purchased.

E. Compensated Absences

Employees of the Town of Beaux Arts Village are salaried and are paid on the basis of an expected monthly workload. They do not accrue or receive paid vacation leave or paid sick leave.

F. Long-Term Debt

The Town of Beaux Arts Village has no long-term debt.

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the Town Council. When expenditures that meet restrictions are incurred, the Town of Beaux Arts Village intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments for the Town of Beaux Arts Village consist of funds received into the following:

- Cumulative Reserve Fund #103 from real-estate excise taxes that are reserved for specific capital purposes set by state statute, and
- Criminal Justice Fund #104 from state-shared revenues that are reserved for police protection services and the purchase of equipment to support those services.

H. Budgets

The Town 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 is used for financial reporting.

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

Fund and Fund No.	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund #001	\$ 528,710	\$ 436,664	\$ (92,046)
Street Fund #101	\$ 125,484	\$ 59,637	\$ (65,847)
Cumulative Reserve Fund #103	\$ 98,500	\$ 19,351	\$ (79,149)
Criminal Justice Fund #104	\$ 10,013	\$ 9,467	\$ (546)
Water Fund #401	\$ 313,483	\$ 256,424	\$ (75,059)
Custodial Fund #631	\$ 50	\$ 39	\$ (11)

Budgeted amounts are authorized to be transferred between departments and within any fund/object classes within departments; however, any revisions that alter the total expenditures budgeted for a fund or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Town Council.

Note 2 – INTERFUND LOANS

The following table displays interfund loan activity during 2019:

Borrowing Fund	Lending Fund	Balance 01/01/2019	New Loans	Interest Accrued	Repayments	Balance 12/31/2019
Water Fund #401	General Fund #001	0	191,963	1,195	3,365	189,794
TOTALS		0	\$ 191,963	\$ 1,195	\$ 3,365	\$ 189,794

Note 3 – DEPOSITS AND INVESTMENTS

Investments are reported at fair value. Investments by type as of December 31, 2019 are as follows:

Type of Deposit or Investment	Town Deposits and Investments	Deposits and Investments held by the Town on Behalf of others	Totals
Washington Federal Bank	37,501	0	37,501
LGIP	1,100,151	0	1,100,151
TOTAL	\$ 1,137,652	0	\$ 1,137,652

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PERS 2/3	\$ 3,769	0.000461%	\$ 4,478

Note 5 - PROPERTY TAX

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The Town of Beaux Arts Village's regular levy for 2019 was 0.86759 per \$1,000 on an assessed valuation of \$201,347,164 for a total regular levy of \$175,555 as set by Ordinance No. 436.

Note 6 – RISK MANAGEMENT

The Town of Beaux Arts Village is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2019, 100 municipalities/entities participate in the AWC RMSA pool.

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Financial information can be obtained from ARCH, c/o Lindsay Masters, 16225 NE 87th St, Suite A-3, Redmond, WA 98052.

Note 9 – COVID-19 PANDEMIC

In February 2020, The Governor of the state of Washington declared a state of emergency in response to the spread of a 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.

The Town of Beaux Arts Village is small and has no commercial activity, so the direct impact of this closure was minimal. In addition, Beaux Arts has no Town Hall, and the Town’s clerk/treasurer and deputy clerk have worked from home offices for many years. Continuing this practice was simple. The only direct change was to minimize in-person contact with the general public out of an abundance of caution. In practice, this meant conducting business requiring the exchange of paperwork or payments either by mail, by email or by delivery.

With no Town Hall, the Town Council holds their meetings in private homes. The March 2020 meeting was cancelled due to the short notice of the shut-down orders and the uncertainty surrounding the spread of the virus. Regular meetings resumed remotely in April 2020 and have continued to be remote since then. Council agendas were initially limited to only necessary business while the state reviewed its OPMA requirements. As the state relaxed those requirements, Council agendas expanded to include matters requiring public hearings. Public access to these remote meetings has been publicized with the agenda for each meeting posted in public places throughout town and on the Town's website. Public hearing notices have been published and posted as required by local codes and state statutes.

The Planning Commission was unable to meet until OPMA rules were relaxed enough to allow them to hold a long-awaited public hearing in July 2020. Since that time, they have met remotely according to their normal meeting schedule. As with Council meetings, public access has been publicized with the meeting agenda. Public hearings have been published and posted as required by local codes and state statutes.

The length of time these measures will continue to be in place and the full extent of the financial impact on the Town of Beaux Arts Village is unknown at this time.

**Town of Beaux Arts Village
Schedule of Liabilities
For the Year Ended December 31, 2020**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	WA State PERS Pension Liability		18,206	-	466	17,740
	Total Revenue and Other (non G.O.) Debt/Liabilities:		18,206	-	466	17,740
	Total Liabilities:		18,206	-	466	17,740

**Town of Beaux Arts Village
Schedule of Liabilities
For the Year Ended December 31, 2019**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	WA State PERS Pension Liability		22,354	-	4,148	18,206
	Total Revenue and Other (non G.O.) Debt/Liabilities:		22,354	-	4,148	18,206
	Total Liabilities:		22,354	-	4,148	18,206

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.

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