



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

City of College Place

For the period January 1, 2022 through December 31, 2022

Published December 7, 2023

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

December 7, 2023

Mayor and City Council
City of College Place
College Place, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of College Place's financial statements and compliance with federal laws and regulations.

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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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of College Place January 1, 2022 through December 31, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the City of College Place are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the City’s financial statements in accordance with its regulatory basis of accounting. Separately, 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 using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
21.027	COVID-19 – CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The City did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

City of College Place January 1, 2022 through December 31, 2022

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

Audit Period: January 1, 2021 through December 31, 2021	Report Ref. No.: 1031154	Finding Ref. No.: 2021-001	Assistance Listing Number(s): 21.027
Federal Program Name and Granting Agency: U.S. Department of the Treasury		Pass-Through Agency Name: NA	
Finding Caption: The City lacked adequate internal controls for ensuring compliance with federal suspension and debarment requirements			
Background: Federal requirements also prohibit recipients from contracting with or purchasing from parties suspended or debarred from doing business with the federal government. Whenever the City enters into contracts or purchases goods or services that it expects to equal or exceed \$25,000, paid all or in part with federal funds, it must verify the contractors have not been suspended or debarred or otherwise excluded. The City may accomplish this verification by collecting a written certification from the contractor, adding a clause or condition into the contract that Page 6 Office of the Washington State Auditor sao.wa.gov states the contractor is not suspended or debarred, or checking for exclusion records in the U.S. General Services Administration's System for Award Management at SAM.gov . The City must perform this verification before entering into the contract or paying the contractor more than \$25,000, and it must keep documentation demonstrating compliance with this federal requirement. City employees responsible for monitoring this program did not intend to pay for the project with federal funding when procuring it, so they did not verify the contractor's status. Staff also did not have a clear understanding of the requirements for suspension and debarment and did not verify the contractor was not suspended or debarred once it was determined federal funds would be used for the project.			

Status of Corrective Action: (check one)

☒ Fully
Corrected

☐ Partially
Corrected

☐ Not Corrected

☐ Finding is considered no
longer valid

Corrective Action Taken: *As a result of this finding, we have implemented a process to check all contract awards for Federal debarment prior to council contract approval. Also, we have added language to our city issued contracts that has language that specifies compliance with Federal purchasing guidelines when Federal funds are utilized.*

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 College Place January 1, 2022 through December 31, 2022

Mayor and City Council
City of College Place
College Place, 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 College Place, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 1, 2023.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

A handwritten signature in cursive script that reads "Pat McCarthy". The signature is written in black ink and is positioned above the printed name.

Pat McCarthy, State Auditor

Olympia, WA

December 1, 2023

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

City of College Place
January 1, 2022 through December 31, 2022

Mayor and City Council
City of College Place
College Place, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the City of College Place, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on

compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other

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

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

Pat McCarthy, State Auditor

Olympia, WA

December 1, 2023

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of College Place January 1, 2022 through December 31, 2022

Mayor and City Council
City of College Place
College Place, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the City of College Place, as of and for the year ended December 31, 2022, and the related notes to the financial statements, as listed in the financial section of our report.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of College Place, and its changes in cash and investments, for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of College Place, as of December 31, 2022, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the City in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also 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 as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

December 1, 2023

FINANCIAL SECTION

City of College Place January 1, 2022 through December 31, 2022

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2022
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2022
Notes to Financial Statements – 2022

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2022
Schedule of Expenditures of Federal Awards – 2022
Notes to the Schedule of Expenditures of Federal Awards – 2022

City of College Place
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	001 Current Expense Fund	100 Street Fund	120 Criminal Justice Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	17,506,550	4,724,697	255,392	45,540
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	6,810,378	6,267,710	-	-
320	Licenses and Permits	337,213	253,665	5,250	-
330	Intergovernmental Revenues	3,288,474	1,680,654	196,434	15,273
340	Charges for Goods and Services	8,485,081	113,611	-	-
350	Fines and Penalties	56,737	28,658	-	-
360	Miscellaneous Revenues	767,935	351,582	(12,870)	(518)
Total Revenues:		19,745,818	8,695,880	188,814	14,755
Expenditures					
510	General Government	1,118,577	1,118,184	-	-
520	Public Safety	3,859,201	3,242,075	-	7,613
530	Utilities	4,383,328	-	-	-
540	Transportation	1,206,557	36,279	651,606	-
550	Natural/Economic Environment	353,982	307,723	-	-
560	Social Services	3,885	3,885	-	-
570	Culture and Recreation	374,225	374,225	-	-
Total Expenditures:		11,299,755	5,082,371	651,606	7,613
Excess (Deficiency) Revenues over Expenditures:		8,446,063	3,613,509	(462,792)	7,142
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	6,676,189	-	-	-
397	Transfers-In	4,042,455	-	800,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	17,958	8,118	6,840	-
Total Other Increases in Fund Resources:		10,736,602	8,118	806,840	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	12,201,155	525,595	-	-
591-593, 599	Debt Service	2,173,908	26,156	-	17,000
597	Transfers-Out	4,042,455	3,270,355	340,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	50,787	49,287	-	-
Total Other Decreases in Fund Resources:		18,468,305	3,871,393	340,000	17,000
Increase (Decrease) in Cash and Investments:		714,360	(249,766)	4,048	(9,858)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	565,024	451,243	-	35,682
50841	Committed	12,215,726	1,331,726	259,440	-
50851	Assigned	2,748,198	-	-	-
50891	Unassigned	2,691,962	2,691,962	-	-
Total Ending Cash and Investments		18,220,910	4,474,931	259,440	35,682

The accompanying notes are an integral part of this statement.

City of College Place
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		121 Forfeited Proceeds Fund	130 Hotel/Motel Tax	201 ULTGO Bond Fund	235 Commercial Drive Bond Debt Service
Beginning Cash and Investments					
308	Beginning Cash and Investments	2,057	36,064	15,509	143,706
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	36,888	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	(32)	(629)	195	59
Total Revenues:		(32)	36,259	195	59
Expenditures					
510	General Government	-	-	50	2
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	11,503	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	11,503	50	2
Excess (Deficiency) Revenues over Expenditures:		(32)	24,756	145	57
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	487,950	260,057
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	487,950	260,057
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	488,350	403,820
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	488,350	403,820
Increase (Decrease) in Cash and Investments:		(32)	24,756	(255)	(143,706)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,025	60,820	15,254	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		2,025	60,820	15,254	-

The accompanying notes are an integral part of this statement.

City of College Place
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		301 Street Capital Contribution	305 Capital Improvement Fund (REET)	306 Capital Improvement Fund (REET 2)	309 CDBG Projects Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	4,135	467,657	1,247,976	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	252,890	252,890	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	31,459	228,108
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2	(7,824)	34,310	-
Total Revenues:		2	245,066	318,659	228,108
Expenditures					
510	General Government	-	37	95	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	34,756
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	37	95	34,756
Excess (Deficiency) Revenues over Expenditures:		2	245,029	318,564	193,352
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	-	84,962	205,869	193,352
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	84,962	205,869	193,352
Increase (Decrease) in Cash and Investments:		2	160,067	112,695	-
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	4,137	627,724	1,360,671	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		4,137	627,724	1,360,671	-

The accompanying notes are an integral part of this statement.

City of College Place
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		311 Street Improvement Fund	315 Facility Maintenance Reserve Fund	320 Equipment Reserve Fund	330 Economic Development Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	186,387	477,136	458,264	601,325
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	(2,650)	(8,518)	(7,131)	211
Total Revenues:		(2,650)	(8,518)	(7,131)	211
Expenditures					
510	General Government	-	181	28	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	9	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		9	181	28	-
Excess (Deficiency) Revenues over Expenditures:		(2,659)	(8,699)	(7,159)	211
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	50,000	500,000	1,042,348	270,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		50,000	500,000	1,042,348	270,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	74,227	201,195	1,220,787	758,339
591-593, 599	Debt Service	-	-	139,909	-
597	Transfers-Out	100,000	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		174,227	201,195	1,360,696	758,339
Increase (Decrease) in Cash and Investments:		(126,886)	290,106	(325,507)	(488,128)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	59,501	767,242	132,757	113,197
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		59,501	767,242	132,757	113,197

The accompanying notes are an integral part of this statement.

City of College Place
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		340 Economic Development Reserve Fund	400 Water Fund	401 Wastewater Fund	402 Stormwater Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	65	4,411,173	3,247,809	982,579
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	46,298	32,000	-
330	Intergovernmental Revenues	-	-	1,065,611	4,607
340	Charges for Goods and Services	-	2,912,403	3,443,462	610,942
350	Fines and Penalties	-	19,180	6,579	2,265
360	Miscellaneous Revenues	7	331,923	97,753	(11,249)
Total Revenues:		7	3,309,804	4,645,405	606,565
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	1,766,429	2,196,149	420,750
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	1,766,429	2,196,149	420,750
Excess (Deficiency) Revenues over Expenditures:		7	1,543,375	2,449,256	185,815
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	2,137,017	4,539,172	-
397	Transfers-In	-	300,000	332,100	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	3,000	-	-
Total Other Increases in Fund Resources:		-	2,440,017	4,871,272	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	4,012,721	4,917,185	-
591-593, 599	Debt Service	-	718,921	331,050	48,702
597	Transfers-Out	-	332,100	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	1,500	-	-
Total Other Decreases in Fund Resources:		-	5,065,242	5,248,235	48,702
Increase (Decrease) in Cash and Investments:		7	(1,081,850)	2,072,293	137,113
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	72	3,014,362	4,056,563	488,334
50851	Assigned	-	314,961	1,263,539	631,358
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		72	3,329,323	5,320,102	1,119,692

The accompanying notes are an integral part of this statement.

City of College Place
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		440 Ambulance	500 Equipment Rental & Replacement
Beginning Cash and Investments			
308	Beginning Cash and Investments	-	199,079
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	66,328	-
340	Charges for Goods and Services	847,185	557,478
350	Fines and Penalties	55	-
360	Miscellaneous Revenues	487	2,827
Total Revenues:		914,055	560,305
Expenditures			
510	General Government	-	-
520	Public Safety	609,513	-
530	Utilities	-	-
540	Transportation	-	518,663
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		609,513	518,663
Excess (Deficiency) Revenues over Expenditures:		304,542	41,642
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	-	6,923
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
Total Other Decreases in Fund Resources:		-	6,923
Increase (Decrease) in Cash and Investments:		304,542	34,719
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	304,542	233,798
50891	Unassigned	-	-
Total Ending Cash and Investments		304,542	233,798

The accompanying notes are an integral part of this statement.

City of College Place
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Private-Purpose Trust
		<hr/>
308	Beginning Cash and Investments	12,953
388 & 588	Net Adjustments	-
310-390	Additions	9,655
510-590	Deductions	9,398
		<hr/>
	Net Increase (Decrease) in Cash and Investments:	257
508	Ending Cash and Investments	13,210

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of College Place was incorporated on December 24, 1945 and operates under the laws of the State of Washington applicable to a code city with a mayor-council form of government. The City of College Place is a general purpose local government and provides public safety, fire protection and prevention, street improvement, parks, ambulance transport services, and general administrative services. In addition, the city owns and operates utility systems for; water, wastewater, stormwater, and ambulance.

The City of College Place 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 that are different from the ending net position classification in GAAP.

A. Fund Accounting

Financial transactions of the City of College Place 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 City of College Place'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 (Current Expense) Fund**

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

Special Revenue Funds

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

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.

NOTE 1 - ContinuedCapital 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 City of College Place on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City of College Place in a trustee capacity or as an agent on behalf of others.

Private Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

B. Basis of Accounting and Measurement Focus

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

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

C. Cash and Investments

See Note 3, *Deposits and Investments*.

D. Capital Assets

The City does not currently have a capitalization policy. The capital assets and inventory of the City of College Place are recorded as expenditures when purchased.

NOTE 1 - Continued**E. Compensated Absences**

A vacation leave balance of up to two hundred and forty hours may be carried forward each year. Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work (provided twelve months of employment with the city have occurred.) As of December 31, 2022, City of College Place employees had an accumulated bank of 5,706 hours of vacation and comp time. As of December 31, 2022 this bank had a potential total payout of \$224,924 if all city employees had been terminated at that time. The City has estimated an additional \$17,207 in associated payroll taxes for a total potential liability of \$242,131.

Sick leave may accumulate indefinitely. Cash-out of up to 40 hours of sick leave per year is allowed, provided that a balance of at least 96 hours remains on the books. This cash-out must be initiated during November each year. Normally, upon separation employees do not receive payment for unused sick leave. An employee who is retiring with a minimum of ten years of service with the city may cash out a maximum of one hundred and twenty hours of their accrued sick leave. As of December 31, 2022 this bank had a potential total payout of \$56,213. The City has estimated an additional \$4,300 in associated payroll taxes for a total potential liability of \$60,514.

Payments are recognized as expenditures when paid.

The foregoing is in accordance with city personnel policies. Compensated vacation and sick leave benefits may vary in accordance with approved negotiated union contract agreements and individual employment agreements.

F. Long-Term Debt

See Note 5, Long-term Debt.

G. Restricted and Committed 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 city council. When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Reservations of Ending Cash and Investments consist of:

Fund	Fund Name	Balance	Restriction	Purpose
001	Current Expense Reserve Fund	\$ 471,804	Internal	Reserve Account
001	Technology Reserve Fund	\$ 449,474	Internal	Operation, maintenance, and replacement of technology equipment, information systems, and media services
001	Employee Benefit Reserve Fund	\$ 410,448	Internal	Reserve for post-employment benefit obligations
100	Street Fund	\$ 259,440	Internal	Maintaining public ways
120	Criminal Justice Fund	\$ 35,682	External	Activities/items specifically identified by state statute (domestic violence related and/or DARE program)
121	Forfeited Proceeds Fund	\$ 2,025	Internal	Drug enforcement and related activities
130	Hotel/Motel Tax	\$ 60,820	External	Activities, operations, and expenditures designed to increase tourism.
201	ULTGO Bond Fund	\$ 15,254	External	Debt service of the CARS road reconstruction project
301	Street Capital Contribution Fund	\$ 4,137	Internal	Account for developer contributions to street projects
305	Capital Improvement Fund (REET)	\$ 627,724	External	Capital projects identified on the City's Capital Facility Plan or Transportation Improvement Plan
306	Capital Improvement Fund (REET 2)	\$ 1,360,671	External	Capital projects identified on the City's Capital Facility Plan or Transportation Improvement Plan
311	Street Improvement Fund	\$ 59,501	Internal	Street Projects
315	Facility Maintenance Reserve Fund	\$ 767,242	Internal	Major repair and replacement of City Hall, Annex, and Fire Station buildings
320	Equipment Reserve Fund	\$ 132,757	Internal	Reserve for replacement of capital equipment used by the Current Expense Fund departments and Street Fund.
330	Economic Development Fund	\$ 113,197	Internal	Capital projects tied to economic and infrastructure development in commercial areas
340	Economic Development Reserve Fund	\$ 72	Internal	Infrastructure improvements that support/foster economic growth
400	Water Capital Reserve Fund	\$ 670,093	Internal	Purchase of equipment necessary to operate and maintain the water system
400	Water Capital Impr. Reserve/Debt Fund	\$ 1,023,114	Internal	Segregate money from water utility customer payments for water system capital improvements and related long term debt service
400	Water System Construction Fund	\$ 1,175,455	External	Segregate DWSRF Funds for water infrastructure construction projects
400	Water/Sewer Revenue Bond Fund	\$ 145,700	External	Debt service related to the financing of the water/sewer portion of the Whitman Drive Extension
401	Wastewater Capital Reserve Fund	\$ 2,807,292	Internal	Purchase of equip. necessary to operate and maintain the wastewater system
401	Wastewater Debt Service Fund	\$ 897,894	Internal	Debt service related to the financing of the Wastewater Treatment Plant
401	Water/Sewer Bond Reserve Fund	\$ 351,377	External	Reserve for debt service related to the financing of the water/sewer portion of the Whitman Drive Extension Project
402	Storm Water Capital Reserve Account	\$ 488,334	Internal	Purchase of equipment necessary to operate and maintain the stormwater system
625	Flexible Benefits Plan Fund	\$ 13,210	Internal	Fiduciary fund for employee contributions to the flexible benefit pretax spending plan
		\$ 12,342,717		

NOTE 2 – BUDGET COMPLIANCE

The City of College Place 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 budget were as follows:

Fund	Description	Final Appropriations	Actual Expenses	Variance
001	Current Expense Fund	\$ 12,150,805	\$ 9,315,284	\$ 2,835,521
	Current Expense Reserve Fund	\$ 481,522	\$ 27	\$ 481,496
	Technology Reserve Fund	\$ 722,681	\$ 411,297	\$ 311,384
	Employee Benefit Reserve Fund	\$ 454,233	\$ 27,156	\$ 427,076
	Subtotal 001 Current Expense Fund	\$ 13,809,241	\$ 9,753,764	\$ 4,055,477
100	Street Fund	\$ 1,204,922	\$ 991,606	\$ 213,317
120	Criminal Justice Fund	\$ 57,281	\$ 24,612	\$ 32,669
121	Forfeited Proceeds Fund	\$ 2,597	\$ 0	\$ 2,597
130	Hotel/Motel Tax	\$ 81,920	\$ 11,503	\$ 70,417
201	ULTGO Bond Fund	\$ 503,758	\$ 488,401	\$ 15,358
235	Commercial Drive Bond Debt Service Fund	\$ 403,777	\$ 403,821	\$ (44)
301	Street Capital Contribution Fund	\$ 77,080	\$ -	\$ 77,080
305	Capital Improvement Fund (REET)	\$ 665,642	\$ 84,999	\$ 580,643
306	Capital Improvement Fund (REET 2)	\$ 3,493,804	\$ 205,963	\$ 3,287,841
309	CDBG Projects Fund	\$ 364,000	\$ 228,107	\$ 135,893
311	Street Improvement Fund	\$ 2,341,013	\$ 174,236	\$ 2,166,777
315	Facility Maintenance Reserve Fund (CE)	\$ 660,398	\$ 201,377	\$ 459,021
320	Equipment Reserve Fund	\$ 2,016,964	\$ 1,360,725	\$ 656,239
330	Economic Development Fund	\$ 872,539	\$ 758,340	\$ 114,199
340	Economic Development Reserve Fund	\$ 65	\$ -	\$ 65
400	Water Fund	\$ 2,513,977	\$ 2,136,223	\$ 377,754
	Water Capital Reserve Fund	\$ 7,797,679	\$ 4,012,791	\$ 3,784,888
	Water Capital Improvement Reserve Fund	\$ 1,908,548	\$ 1,051,070	\$ 857,478
	Water Bond Reserve Fund	\$ 144,444	\$ 6	\$ 144,438
	Water System Construction Fund	\$ 1,344,884	\$ 78	\$ 1,344,806
	Subtotal 400 Water Fund	\$ 13,709,533	\$ 7,200,169	\$ 6,509,364
401	Wastewater Fund	\$ 5,236,410	\$ 2,495,819	\$ 2,740,592
	Wastewater Capital Reserve Fund	\$ 6,779,505	\$ 4,917,382	\$ 1,862,124
	Wastewater Debt Service Fund	\$ 1,608,107	\$ 5,364	\$ 1,602,742
	Water Revenue Bond Fund	\$ 671,525	\$ 325,817	\$ 345,708
	Subtotal 401 Wastewater Fund	\$ 14,295,548	\$ 7,744,382	\$ 6,551,166
402	Stormwater Fund	\$ 1,231,330	\$ 545,740	\$ 685,589
	Stormwater Capital Reserve Fund	\$ 1,648,710	\$ 48,712	\$ 1,599,998
	Subtotal 402 Stormwater Fund	\$ 2,880,040	\$ 594,452	\$ 2,285,587
440	Ambulance Utility	\$ 687,100	\$ 609,513	\$ 77,587
500	Equipment Rental & Replacement	\$ 715,276	\$ 525,586	\$ 189,690
625	Flexible Benefits Plan Fund	\$ 28,051	\$ 9,399	\$ 18,653
	Fund Totals	\$ 58,870,549	\$ 31,370,956	\$ 27,499,594

NOTE 2 – Continued

The mayor and city administrator are authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of College Place's legislative body.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or by the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the City of College Place or its agent in the City of College Place's name.

Investments are reported at fair value. Investments by type at December 31, 2022 are as follows:

Type of Investment	City's Own Investments	Investments held by the city as an agent for other local govts., individuals or private organizations.	Total
L.G.I.P.	\$ 2,395,843	\$ -	\$ 2,395,843
Treasury Obligations	34,738	-	34,738
U.S. Government Agency Securit	6,150,941	-	6,150,941
Total	\$ 8,581,522	\$ -	\$ 8,581,522

NOTE 4 - PROPERTY TAXES

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

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

The City of College Place's regular levy for the year 2022 was \$1.757043805 per \$1,000 on an assessed valuation of \$907,140,360 for a total regular levy of \$1,593,885.

In 2022 the City also levied an additional \$0.54595785 per \$1,000, on an assessed valuation of \$892,651,329 for debt service on the CARS project bond. The additional levy was \$487,350.

NOTE 5 – Long Term Debt

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City and summarizes the City of College Place's debt transactions for the year ended December 31, 2022.

NOTE 5 – Continued

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

Period	Principal	Interest	Total
2023	1,574,598	981,908	2,556,506
2024	1,591,585	959,021	2,550,606
2025	1,559,993	932,412	2,492,405
2026	1,324,069	649,994	1,974,063
2027	1,344,951	623,613	1,968,563
2028-2032	6,036,372	1,683,430	7,719,801
2033-2037	4,328,204	774,605	5,102,810
2038-2042	2,426,830	494,151	2,920,981
Totals	\$ 20,186,602	\$ 7,099,133	\$ 27,285,736

During the year, the City of College Place continued to draw on two Drinking Water State Revolving Fund loans. In addition, the City started two wastewater projects. The first one was for construction of the Southwest Sewer in which two loans were drawn from; one SRF loan from the Department of Ecology (DOE) and the second from USDA-RD. The second project was a loan from DOE for engineering and design on improvements to the Waste Water treatment plant. Two new loans with PWTF were drawn up for water main replacement and a new water well #7. The details of these loans are as follows:

- DWL23479 – For drilling Well #2. \$1,822,615 principal, 1% loan fee, no forgiveness, 20-year term, 1.5% interest. A total of \$1,689,644 was drawn through December 31, 2022.
- DWL24936 – For completing construction on Well #2. \$2,649,944 principal, 20-year loan term, 1.75% interest, no loan forgiveness. A total of \$828,260 was drawn through December 31, 2022.
- EL210176 – For Southwest Sewer with the DOE, \$2,382,081 principal, no forgiveness, 20- year term, 1.2% interest. A total of \$2,70,650 was drawn through December 31, 2022.
- ID 2203-002 – For Southwest Sewer with USDA-RD, \$2,838,000 principal, no forgiveness, 40- year term, 1.125% interest. A total of \$2,838,000 was drawn through December 31, 2022. The first payment is due January 6th, 2023.
- EL200291 – For engineering and design on the improvements to the Wastewater Treatment plant with the DOE, \$2,500,000 principal, \$600,000 forgiveness, 20- year term, 2.0% interest. A total of \$1,257,708 was drawn through December 31, 2022
- PCC22-96103-055 - For a water main replacement project with the PWTF, \$842,000 principal, no forgiveness, 20- year term, 0.94% interest. A total of \$621,764 was drawn through December 31, 2022.
- PCC22-96103-062 - For engineering and drilling on a new water well with the PWTF, \$2,052,921 principal, no forgiveness, 20- year term, 0.94% interest. A total of \$11,743 was drawn through December 31, 2022.

NOTE 6 – Leases

During the year ending 2022, the City adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. The City leases Body Cams and Tasers for the police department for \$38,793 per year under a lease agreement. The leases began in January of 2021 with a 2022 opening balance of \$155,171 and will end January of 2026.

The City leases vehicles from the Bancorp for \$139,919 per year under 6-year lease agreements with rotating end dates. The beginning balance of the lease commitments is \$273,737. Additional leases commenced in 2022 for \$422,892. The vehicles will be returned after the lease expiration date(s).

The City leases 1 copier from TIAA for \$234 per month under a 5-year lease agreement that started in 2020 with an opening balance of \$8,649, as well as 1 postage meter from Pitney Bowes for \$389 per quarter that commenced in 2019 with an opening balance of \$4,673.

The total amount paid for leases in 2022 was \$183,075. As of December 31, 2022, the future minimum lease payments are as follows:

Year Ending December 31	Total
2023	194,347
2024	188,706
2025	130,187
2026	91,160
2027	77,657
Total	682,057

1. Lease liabilities are included on Schedule 9 – Schedule of Long-term Liabilities.

NOTE 7 – OPEB Plans

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City of College Place as required by RCW 41.26. The plan pays for 100% of eligible retirees' healthcare costs, including health insurance premiums, on a pay-as-you-go basis. As of December 31, 2022, the plan had 1 member, a retiree. For the year ended December 31, 2022, the City paid \$27,133 in benefits.

During the year ended 2022, the City of College Place adopted guidance for the presentation and disclosure of postemployment benefits other than pensions, as required by the BARS manual. This requirement resulted in the addition of a postemployment benefit liability reported on the Schedule of Liabilities. As of December 31, 2022, the plan had one retired member. As of December 31, 2022, the City of College Place's total OPEB liability was \$452,354, as calculated using the alternative measurement method.

NOTE 8 – Paid Family Medical Leave Act Self-Insurance

The city administers a voluntary plan for paid family (and/or) medical leave benefits for its employees. Voluntary

plans are approved by the Employment Security Department and are available for employers who wish to opt out of the State of Washington's Paid Family & Medical Leave Program for either family leave benefit, medical leave benefit, or both, and instead administer their own internal plan. Employers with voluntary plans are required to offer benefits that are equal to or exceed the benefits offered by the State's program and must report employee hours, wages, premiums deducted from employee pay, and other information to the Employment Security Department on a quarterly basis.

The city paid a total of \$20,397.36 in 2022 and held \$6,321.97 of employee premiums at fiscal year-end.

NOTE 9 - PENSION PLANS

State Sponsored Pension Plans

Substantially all the City of College Place's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans: Public Employees' Retirement System (PERS 1, 2, or 3), and the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF 1 or 2).

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

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

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

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

The City of College Place also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington ACFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2022 (the measurement date of the plans), the city's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$75,082	.012251%	\$341,113
PERS 2/3	\$120,084	.014948%	(554,389)
LEOFF 1	\$0	.003996%	(\$114,630)

LEOFF 2	\$86,269	.041670%	(\$1,132,465)
VFFRPF	\$210	.110000%	(\$31,216)

NOTE 9 - Continued**LEOFF Plan 1**

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

LEOFF Plan 2

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

NOTE 10 – RISK MANAGEMENT

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

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

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

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

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded

from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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

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

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

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

NOTE 11 - OTHER DISCLOSURES

A. Significant Commitments or Obligations

1. Contract Commitments

The City has several significant (over \$100,000 contractual obligation remaining) engineering and construction contracts in progress as of December 31, 2022.

- a) Council Chambers Renovation & AV Design (1022) – This is the construction and design contract that started October 2021 and is expected to go through 2023.
- b) Stormwater Decant Facility (5003) – Engineering services for Stormwater Decant Facility approved in 2022, but not expected to start until 2023.
- c) Mojonnier Road Reconstruction (5006) – Engineering services for Mojonnier Road Reconstruction approved in 2022 and expected to go through 2023.
- d) Lift Station #5 Replacement (7019) – Engineering services for Lift Station #5 replacement that was approved December 2021.
- e) Well House #6 (8001) – This is the construction of Well House #6 that was approved in October 2021 and expected to go through 2023.
- f) Well #7 (8017) – Engineering services for drilling and design of Well #7 that was approved in 2022 and expected to go through 2023.
- g) Water Reservoir No. 4 & Transmission (8018) – Engineering design of Reservoir 4 approved in June 2022 and expected to go through 2023.
- h) Southwest Sewer & Lift Station (SWSEWER) – This is the construction for the SW Sewer Lift Station No. 7 that was approved in January 2021.

- i) Wastewater Treatment Plant Upgrade (WWTPMJRIMP) – Design engineering services for an update to the wastewater treatment plant approved in Fall of 2019.

At year end the City's commitments with consultants and contractors are as follows:

	Spent to Date 12/31/2022	Remaining Commitment as of 12/31/2022
1022 (Construction)	\$171,843	\$503,195
5003 (Engineering)	\$0	\$130,000
5006 (Engineering)	\$42,795	\$322,130
7019 (Engineering)	\$125,930	\$164,470
8001 (Construction)	\$2,108,343	\$526,258
8017 (Engineering)	\$94,221	\$470,779
8018 (Engineering)	\$92,117	\$174,183
LIONSPARK (Engineering)	\$245,948	\$421,052
SWSEWER (Construction)	\$7,546,638	\$453,362
WWTPMJRIMP (Engineering)	\$1,696,620	\$311,750
Total Committed		\$3,477,179

The committed balance of \$3,477,179 will be funded with grants from Public Works Trust Fund State Loans, WA Department of Ecology grants and loans, WA Department of Health loans, WA State Recreation and Conservation Office grants, State grants, City fund balances, Developer Contributions and American Rescue Plan Act Fund.

B. Subsequent Events

On January 10, 2023, Council approved Ordinance 23-001 establishing Autumn Meadows Local Improvement District to fund improvements to City assumed standards-deficient infrastructure and directing improvement thereof.

On January 10, 2023, Council adopted Resolution No. 23-003, which authorized the City Administrator to sign the grant agreement with the State Transportation Improvement Board to accept Urban Arterial Program (UAP) grant for NE Damson Ave for \$943,200.

On February 14, 2023, Council authorized Mayor Hernandez to execute the Meier Architecture & Engineering contact amendment 2 to Agreement for Services – Rev 2 in the amount of \$197,000. This contract is the design professional on the City Hall Council Room Renovation and AV Design.

On February 14, 2023, Council authorized the Public Works Director to sign Contract Amendment No. 7 increasing the engineering fee authorization by \$109,910 for Well 2 relocation. This contract is with RH2 Engineering.

On February 28, 2023, approved the EMS Contract for Levy Distribution for 2023. This is the 2022 EMS Levy Distribution contract with estimated collections of \$450,226. The City utilizes this revenue to provide twenty-four hour / seven days a week emergency medical services for the community.

On February 28, 2023, Council authorized the City Administrator to sign the Agreement for Professional Services for design of a Decant Facility. The estimated cost with J-U-B Engineers is \$130,000. The City has applied for grant money for this project, which is listed on the offer list at \$114,750.

On February 28, 2023, Council approved the purchase of a new Combo Jetter & Vacuum Truck. The City has been awarded a Washington State DOE grant for a new vacuum truck with total eligible costs of \$515,000, with \$437,750 provided by DOE and \$77,250 being the recipient share. The anticipated costs have increased to \$533,288.60 after tax.

On February 28, 2023, Council authorized the City Administrator to sign the grant agreement with the State DOE Water Quality Combined Financial Assistance Program for Wastewater System Improvements (Agreement # WQC-2023-coPIED-000138). This financing agreement represents \$13 million in grant and \$13 million in loan.

On March 28, 2023, Council authorized the Public Works Director to sign the Reimbursable Work Agreement with Walla Walla County Public Works for performing the 2023 chip seal work. The estimated cost from the County is \$67,460.75, but will bill actual costs.

On April 11, 2023, Council awarded the contract for Well No. 7 Drilling, Well Construction, and Well Testing to Gregory Drilling in the amount of \$1,527,921.45.

On April 11, 2023, Council authorized the City Administrator to sign the grant agreement with the State DOE Water Quality Combined Financial Assistance Program for Lions Park Stormwater Improvements (Agreement # WQC-2023-CoPIED-00112) for \$866,150.

On April 25, 2023, Council authorized the City Administrator to sign the RCO Applicant Match document, which is to secure the Veterans Park Renovation in the amount of \$281,023 by each department.

On May 23, 2023, Council authorized the City Administrator to sign an agreement for professional services with J-U-B Engineering for engineering services for the 2023 CIPP Project in an amount not to exceed \$360,000.

On May 23, 2023, Council authorized the Public Works Director to sign a supplemental agreement with PBS Engineering to complete design and right of way acquisition services for the Mojonner Road Reconstruction Project in an amount not to exceed \$390,033.88.

On May 23, 2023, Council awarded the sidewalk improvements project to Nelson Construction in the amount not to exceed \$718,000.

On June 27, 2023, Council approved the acceptance of a DOE Grant in the amount of \$565,250 for Decant Facility design and purchase of a new vacuum truck.

On August 22, 2023, Council approved a contract amendment to JUB in the amount of \$388,00 for additional work on Reservoir 4 transmission main design to 90%.

On September 12, 2023, Council accepted a grant from RCO for Lions Park in the amount of \$562,046.

On October 24, 2023, Council accepted a grant from Washington State Military Department for hazard mitigation on the Cities water tower in the amount of \$207,000.

On Nov 14, 2023, Council approved an additional sales tax of 0.1% for the establishment of a Transportation Benefit District starting January 2024. These funds will be used for local road improvements.

C. Contingencies and Litigations

There are no other pending legal issues as of 5/30/2023.

**City of College Place
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	LTGO Bond - 06/2019	6/1/2024	137,890	-	44,634	93,256
251.11	LTGO Bond - 08/2008	4/9/2023	384,738	-	384,738	-
251.12	ULTGO Bond - 2/2014	12/1/2023	4,580,000	-	310,000	4,270,000
263.87	DWSRF DWL23476 - 10/2042	10/1/2042	1,372,540	-	65,359	1,307,181
263.87	DWSRF DWL23478 - 10/2043	10/1/2042	897,681	-	478,979	418,702
263.87	DWSRF DWL23479 - 10/2038	10/1/2038	1,014,390	742,863	67,609	1,689,644
263.87	DWSRF DWL24936 - 10/2040	10/1/2040	-	829,572	1,312	828,260
263.87	DOE SRF L9900018B - 12/1998	2/1/2022	5,250	-	5,250	-
263.87	DOE SRF EL200291	7/31/2044	1,221,263	36,445	-	1,257,708
263.87	DOE SRF EL210176	6/30/2042	1,129,322	1,621,328	-	2,750,650
263.87	PWTF PC22-96103--051	6/1/2041	-	43,399	-	43,399
Total General Obligation Debt/Liabilities:			10,743,074	3,273,607	1,357,881	12,658,800
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Water Revenue Bond - 10/2017	12/1/2037	3,600,000	-	225,000	3,375,000
259.12	Compensated Absences		318,434	-	15,789	302,645
263.82	USDA Sewer Revenue Bond	1/6/2062	2,838,000	-	-	2,838,000
263.88	PWTF PW05-691-010 - 04/2005	7/1/2025	675,541	-	168,885	506,656
263.88	PWTF DWSRF 04-65104-005 - 03/2006	10/1/2025	351,342	-	87,836	263,506
263.88	PWTF PC08-951-011 - 03/2008	7/1/2028	1,775,651	-	253,664	1,521,987
263.88	PWTF PC22-96103-055 - 6/2041	6/1/2041	-	577,764	-	577,764
263.88	PWTF PC22-96103-062 - 6/2041	6/1/2041	-	11,743	-	11,743
264.30	Net Pension Liability		148,612	192,501	-	341,113
264.40	OPEB Liabilities		589,017	-	136,663	452,354
263.57	Body Cams/Tasers	1/25/2026	155,171	-	38,793	116,378
263.57	Patrol Vehicle Lease 2019	4/5/2025	163,171	-	54,390	108,781
263.57	Patrol Vehicle Lease 2021	6/1/2027	-	422,892	64,841	358,051
263.57	2021 Dodge Charger Lease	11/10/2028	67,515	-	13,503	54,012
263.57	2022 Dodge Charger Lease	1/10/2028	43,051	-	7,175	35,876
263.57	CD Copier Lease (POA)	1/31/2025	8,649	-	2,805	5,844
263.57	Postage Meter	1/1/2025	4,673	-	1,558	3,115
Total Revenue and Other (non G.O.) Debt/Liabilities:			10,738,827	1,204,900	1,070,902	10,872,825

**City of College Place
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
		Total Liabilities:	21,481,901	4,478,507	2,428,783	23,531,625

City of College Place
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
RURAL UTILITIES SERVICE, AGRICULTURE, DEPARTMENT OF	Water and Waste Disposal Systems for Rural Communities	10.760	-	-	773,962	773,962	12
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	20-62210-031	73,865	-	73,865	12
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	21-62210-027	163,416	-	163,416	12
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	19-62210-020	7,098	-	7,098	12
Total ALN 14.228:				244,379	-	244,379	-
NATIONAL PARK SERVICE, INTERIOR, DEPARTMENT OF THE (via WA St. Dept of Archaeology and Historic Preservation)	Historic Preservation Fund Grants-In-Aid	15.904	FY22-CLG- CollegePlace	5,000	-	5,000	12
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607	-	-	2,581	2,581	12
Highway Planning and Construction Cluster							
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUS- 7152(004)	44,830	-	44,830	12
Total Highway Planning and Construction Cluster:				44,830	-	44,830	-

Highway Safety Cluster						
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Traffic Safety Commission)	State and Community Highway Safety	20,600	Impaired Driving DUI Emphasis	966	-	966
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Traffic Safety Commission)	State and Community Highway Safety	20,600	X52 Sustained Enforcement	549	-	549
Total Highway Safety Cluster:				1,515	-	1,515
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL	21,027		-	1,897,427	1,897,427
Drinking Water State Revolving Fund Cluster						
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via State Department of Health)	Drinking Water State Revolving Fund	66,468	Well#1/#2	1,547,509	-	1,547,509
Total Drinking Water State Revolving Fund Cluster:				1,547,509	-	1,547,509
Total Federal Awards Expended:				1,843,233	2,673,970	4,517,203

The accompanying notes are an integral part of this schedule.

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the City of College Place financial statements. The City of College Place 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.

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City of College Place portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 – Indirect Cost Rate

The City of College Place has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Federal Loans

The City of College Place was approved by the EPA to receive loans totally \$3,018,046, \$1,822,615, and \$1,195,431 (50% forgivable) to improve its drinking water system. The City also received a \$2,838,000 loan from USDA to fund wastewater improvements. The amounts listed for these loans includes the proceeds used during the year. The balance owing at the end of the year is \$4,955,549. The current year loans are reported on the City of College Place's Schedule of Liabilities.

Note 4 – Revolving Loan – Program Income

The City of College Place has a revolving loan program for drinking water with the Department of Health. Under this federal program, repayments to the City of College Place are considered program revenues and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program recipients for the year was \$1,572,435 and is presented in the Schedule of Liabilities. The amount of principal and interest disbursed in loan repayments for the year was \$284,118. The loans are split by the DOH according to the source of funds. The Federal portion for 2022 was \$742,863.

Note 5 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City of College Place portion are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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.

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