



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Granger

For the period January 1, 2020 through December 31, 2022

Published August 22, 2024

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

August 22, 2024

Mayor and City Council
City of Granger
Granger, Washington

Report on Financial Statements

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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TABLE OF CONTENTS

Schedule of Audit Findings and Responses.....	4
Summary Schedule of Prior Audit Findings	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8
Independent Auditor's Report on the Financial Statements	11
Financial Section.....	15
About the State Auditor's Office.....	64

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

City of Granger January 1, 2020 through December 31, 2022

2022-001 The City's internal controls over preparing financial statements were inadequate for ensuring accurate reporting.

Background

City management, state and federal agencies, and the public rely on the information included in financial statements and reports to make decisions. City management is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance its financial statements, notes and required schedules are prepared, reliable, and presented fairly in accordance with the *Budgeting, Accounting and Reporting System* (BARS Manual).

Our audit identified deficiencies in the City's internal controls that hindered its ability to produce accurate financial statements. *Government Auditing Standards* requires the State Auditor's Office to communicate significant deficiencies in internal controls, defined in the Applicable Laws and Regulations section below, as a finding.

Description of Condition

Our audit found deficiencies in the City's internal controls over financial reporting that, when taken together, represent a significant deficiency. Specifically, the City did not:

- Establish an independent review of year-end adjustments, financial statements, notes and Schedule of Liabilities
- Adequately research BARS Manual accounting requirements for ending cash and investment classification and new accounting standards
- Establish procedures to ensure it performed bank reconciliations accurately and retained bank statements for all accounts

Cause of Condition

The City had turnover in its Clerk-Treasurer position. This position is responsible for preparing the financial statements, notes and required schedules. In addition, the City had not devoted sufficient time and resources to ensure it adequately trains staff over BARS Manual reporting requirements.

Effect of Condition

As a result of the internal control deficiencies, the City's financial information contained errors that management did not detect. Specifically, the City:

- Incorrectly classified assigned cash and investments as restricted cash and investments totaling \$405,395, \$306,939 and \$416,096, in 2020, 2021 and 2022, respectively, and did not reconcile ending cash and investments to the general ledger. The City corrected these errors.
- Did not retain supporting documentation for a prior period adjustment of \$28,606 and for reconciling items of \$51,988 in the 2020 bank reconciliation.
- Incorrectly classified \$65,689, \$66,268 and \$54,144 in 2020, 2021 and 2022 respectively, as a private purpose trust fund when it should report the activity of the fund in the general fund. The City corrected these errors for 2021 and 2022.
- Understated the Schedule of Liabilities by a total of \$31,316 and \$9,100 in 2020 and 2022, respectively, and overstated it by \$114,886 in 2021 due to incorrectly reporting compensated absences, pension liabilities, other post-employment benefit liabilities and a bank loan. The City partially corrected these errors.
- Overstated appropriated budget amounts in the notes to the financial statements by \$1,733,223, 1,698,193 and \$2,100,599 in 2020, 2021 and 2022, respectively. Also, actual expenses in the budget note did not agree to the financial statements. The City partially corrected these errors.
- Overstated 2022 deposits and bonds in the notes to the financial statements by \$498,263 and \$496,814, respectively, and understated investments by \$730,715. The City corrected these errors.

We also identified other immaterial errors in the statements, notes and required schedules.

Recommendation

We recommend the City:

- Establish a technical review process for the financial statements, notes and schedules to ensure they are accurate, supported, classified and reported in accordance with the BARS Manual
- Report fund activity in the correct fund type and review BARS Manual accounting changes to ensure they are implemented and reported correctly
- Properly reconcile bank statements to the general ledger and financial statements and ensure cash and investments are properly classified and reported

City's Response

City of Granger has begun a review process to ensure schedules are accurate and are in accordance with the BARS manual.

City of Granger will ensure to report the right activity in the correct fund type and abide by the BARs manual.

City of Granger has improved its system, so we are able to reconcile our statements with a general ledger that the system provides.

Auditor's Remarks

We appreciate the City's commitment to resolving the issues identified above. We will follow up on the status of the finding during the next regularly scheduled audit.

Applicable Laws and Regulations

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.



CITY OF GRANGER

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

City of Granger January 1, 2020 through December 31, 2022

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

Audit Period: January 1, 2018 - December 31, 2019	Report Ref. No.: 1028081	Finding Ref. No.: 2019-001
Finding Caption: The City's internal controls over accounting and financial statement preparation were inadequate to ensure accurate reporting.		
Background: We identified the following deficiencies in internal controls that, when taken together, represent a significant deficiency: <ul style="list-style-type: none"> • The City did not perform an adequate reconciliation of its bank statement activity on a monthly basis for fiscal years 2018 and 2019. The City only reconciled deposits and withdrawals between bank statements and did not appropriately reconcile the bank activity to the general ledger. This process did not provide for an accurate reconciling of the ending cash and investment activity to verify that all cash and investments at year-end was recorded properly on the financial statements. • The City did not retain all necessary evidence and support for 2018 and 2019 reconciliations. • The City did not establish a secondary review process to detect and correct errors before submitting the annual financial report for audit. 		
Status of Corrective Action: (check one) <input type="checkbox"/> Fully Corrected <input checked="" type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>The City put a new system into place (Springbrook) to be able to reconcile bank statements and the bank activity to a general ledger. Old system did not provide a general ledger. Also, the city has taken a more sufficient way of retaining evidence and support for reconciliation. The City of Granger will make sure to have a secondary review process to detect and correct errors before submitting the annual financial report for audit.</i>		

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City of Granger January 1, 2020 through December 31, 2022

Mayor and City Council
City of Granger
Granger, 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 Granger, as of and for the years ended December 31, 2022, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated August 15, 2024.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. However, we identified certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings and Responses as Finding 2022-001 that we consider to be significant deficiencies.

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*.

CITY'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

August 15, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Granger January 1, 2020 through December 31, 2022

Mayor and City Council
City of Granger
Granger, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the City of Granger, as of and for the years ended December 31, 2022, 2021 and 2020, 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 Granger, and its changes in cash and investments, for the years ended December 31, 2022, 2021 and 2020, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Granger, as of December 31, 2022, 2021 and 2020, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS Manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the

United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2024 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

August 15, 2024

FINANCIAL SECTION

City of Granger January 1, 2020 through December 31, 2022

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2022
Fund Resources and Uses Arising from Cash Transactions – 2021
Fund Resources and Uses Arising from Cash Transactions – 2020
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2022
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2021
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2020
Notes to the Financial Statements – 2022
Notes to the Financial Statements – 2021
Notes to the Financial Statements – 2020

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2022
Schedule of Liabilities – 2021
Schedule of Liabilities – 2020

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

		Total for All Funds (Memo Only)	001 CURRENT EXPENSE	100 STREETS	120 EMS FIRE DEPARTMENT
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,823,077	393,457	(3,148)	57,409
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,489,660	1,195,404	14,583	40,058
320	Licenses and Permits	61,213	60,288	300	-
330	Intergovernmental Revenues	982,152	456,843	130,439	-
340	Charges for Goods and Services	1,618,354	115,234	-	-
350	Fines and Penalties	64,889	28,165	-	-
360	Miscellaneous Revenues	80,540	53,924	8,983	-
Total Revenues:		4,296,808	1,909,858	154,305	40,058
Expenditures					
510	General Government	527,826	527,826	-	-
520	Public Safety	1,350,519	1,169,136	-	26,311
530	Utilities	1,471,631	-	-	-
540	Transportation	88,993	-	88,993	-
550	Natural/Economic Environment	126,645	122,991	-	-
560	Social Services	4,033	4,033	-	-
570	Culture and Recreation	96,960	96,788	-	-
Total Expenditures:		3,666,607	1,920,774	88,993	26,311
Excess (Deficiency) Revenues over Expenditures:		630,201	(10,916)	65,312	13,747
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	298,010	30,667	125,675	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	279,900	72,623	-	-
Total Other Increases in Fund Resources:		577,910	103,290	125,675	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	802,203	206,141	77,672	-
591-593, 599	Debt Service	164,673	4,826	-	-
597	Transfers-Out	298,010	31,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	191,883	(12,226)	-	-
Total Other Decreases in Fund Resources:		1,456,769	229,741	77,672	-
Increase (Decrease) in Cash and Investments:		(248,658)	(137,367)	113,315	13,747
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	622,344	-	-	71,157
50841	Committed	9,891	9,891	-	-
50851	Assigned	752,291	56,299	110,168	-
50891	Unassigned	189,892	189,892	-	-
Total Ending Cash and Investments		1,574,418	256,082	110,168	71,157

The accompanying notes are an integral part of this statement.

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

		135 CRIMINAL JUSTICE FUND	137 CRIME PREVENTION FUND	139 PUBLIC SAFETY FUND	156 EMS TRAUMA CARE GRANT
Beginning Cash and Investments					
308	Beginning Cash and Investments	64,021	20,918	28,077	5,863
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	72,326	-	132,711	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	39,934	-	241,376	1,125
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	705	322	1,538	-
Total Revenues:		112,965	322	375,625	1,125
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	113,272	585	41,215	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		113,272	585	41,215	-
Excess (Deficiency) Revenues over Expenditures:		(307)	(263)	334,410	1,125
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	-	-	222,267	(83)
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	30,667	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	252,934	(83)
Increase (Decrease) in Cash and Investments:		(307)	(263)	81,476	1,208
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	63,714	-	109,555	7,071
50841	Committed	-	-	-	-
50851	Assigned	-	20,654	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		63,714	20,654	109,555	7,071

The accompanying notes are an integral part of this statement.

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

		175 FESTIVAL/FLOA T FUND	190 FED. HOUSING REHAB GRANT	335 CAPITAL IMPROVEMENT PLAN	350 FIRE DEPT. RES
Beginning Cash and Investments					
308	Beginning Cash and Investments	13,184	41,432	276,752	73,178
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	34,578	-
320	Licenses and Permits	-	-	-	625
330	Intergovernmental Revenues	-	2,872	-	-
340	Charges for Goods and Services	3,250	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	36	-	100	902
Total Revenues:		3,286	2,872	34,678	1,527
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	3,654	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	172	-	-	-
Total Expenditures:		172	3,654	-	-
Excess (Deficiency) Revenues over Expenditures:		3,114	(782)	34,678	1,527
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	99,675	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	99,675	-
Increase (Decrease) in Cash and Investments:		3,114	(782)	(64,997)	1,527
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	40,650	211,755	74,706
50841	Committed	-	-	-	-
50851	Assigned	16,298	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		16,298	40,650	211,755	74,706

The accompanying notes are an integral part of this statement.

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

		410 WATER/SEWER	420 SEWER FUND	430 GARBAGE	450 IRRIGATION FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	559,355	-	249,002	43,577
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	109,563	-	-	-
340	Charges for Goods and Services	990,258	-	305,899	203,713
350	Fines and Penalties	36,036	-	-	688
360	Miscellaneous Revenues	8,543	649	4,786	52
Total Revenues:		1,144,400	649	310,685	204,453
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	841,879	65,921	360,986	202,845
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		841,879	65,921	360,986	202,845
Excess (Deficiency) Revenues over Expenditures:		302,521	(65,272)	(50,301)	1,608
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	5,000	136,668	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	105,200	-	-	102,077
Total Other Increases in Fund Resources:		110,200	136,668	-	102,077
Other Decreases in Fund Resources					
594-595	Capital Expenditures	276,290	-	14,266	5,650
591-593, 599	Debt Service	159,634	-	-	213
597	Transfers-Out	136,668	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	104,109	-	-	100,000
Total Other Decreases in Fund Resources:		676,701	-	14,266	105,863
Increase (Decrease) in Cash and Investments:		(263,980)	71,396	(64,567)	(2,178)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	43,736	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	251,644	71,397	184,434	41,397
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		295,380	71,397	184,434	41,397

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	001 CURRENT EXPENSE	100 STREETS	120 EMS FIRE DEPARTMENT
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,394,482	88,142	(14,273)	61,543
388 / 588	Net Adjustments	65,689	65,689	-	-
Revenues					
310	Taxes	1,423,551	1,110,983	15,008	35,494
320	Licenses and Permits	35,157	34,432	100	-
330	Intergovernmental Revenues	1,050,405	806,576	95,967	-
340	Charges for Goods and Services	1,442,845	76,352	-	-
350	Fines and Penalties	40,484	32,844	-	-
360	Miscellaneous Revenues	364,791	161,504	2,067	33
Total Revenues:		4,357,233	2,222,691	113,142	35,527
Expenditures					
510	General Government	483,966	483,966	-	-
520	Public Safety	1,083,076	939,761	-	31,130
530	Utilities	1,237,905	-	-	-
540	Transportation	101,902	-	101,902	-
550	Natural/Economic Environment	107,654	104,449	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	78,238	77,151	-	-
Total Expenditures:		3,092,741	1,605,327	101,902	31,130
Excess (Deficiency) Revenues over Expenditures:		1,264,492	617,364	11,240	4,397
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	58,000	32,000	26,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	358,061	104,162	-	-
Total Other Increases in Fund Resources:		416,061	136,162	26,000	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	743,119	386,564	26,116	8,532
591-593, 599	Debt Service	167,236	5,738	-	-
597	Transfers-Out	58,000	26,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	349,293	95,593	-	-
Total Other Decreases in Fund Resources:		1,317,648	513,895	26,116	8,532
Increase (Decrease) in Cash and Investments:		362,905	239,631	11,124	(4,135)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	589,378	-	-	57,409
50841	Committed	9,778	9,778	-	-
50851	Assigned	985,721	142,331	-	-
50891	Unassigned	238,200	241,348	(3,148)	-
Total Ending Cash and Investments		1,823,077	393,457	(3,148)	57,409

The accompanying notes are an integral part of this statement.

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

		135 CRIMINAL JUSTICE FUND	139 PUBLIC SAFETY FUND	156 EMS TRAUMA CARE GRANT	175 FESTIVAL/FLOA T FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	64,141	79,222	4,557	12,820
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	73,741	134,518	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	6,668	-	1,260	-
340	Charges for Goods and Services	-	-	-	960
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	26	433	45	491
Total Revenues:		80,435	134,951	1,305	1,451
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	80,558	31,627	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	1,087
Total Expenditures:		80,558	31,627	-	1,087
Excess (Deficiency) Revenues over Expenditures:		(123)	103,324	1,305	364
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	-	101,552	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	32,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	133,552	-	-
Increase (Decrease) in Cash and Investments:		(123)	(30,228)	1,305	364
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	64,021	28,077	5,863	-
50841	Committed	-	-	-	-
50851	Assigned	-	20,918	-	13,184
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		64,021	48,995	5,863	13,184

The accompanying notes are an integral part of this statement.

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

		190 FED. HOUSING REHAB GRANT	335 CAPITAL IMPROVEMENT PLAN	350 FIRE DEPT. RES	410 WATER/SEWER
Beginning Cash and Investments					
308	Beginning Cash and Investments	41,456	220,253	71,896	464,761
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	53,807	-	-
320	Licenses and Permits	-	-	625	-
330	Intergovernmental Revenues	2,820	-	-	137,114
340	Charges for Goods and Services	-	-	-	882,903
350	Fines and Penalties	-	-	-	7,560
360	Miscellaneous Revenues	361	2,691	657	195,765
Total Revenues:		3,181	56,498	1,282	1,223,342
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	755,744
540	Transportation	-	-	-	-
550	Natural/Economic Environment	3,205	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		3,205	-	-	755,744
Excess (Deficiency) Revenues over Expenditures:		(24)	56,498	1,282	467,598
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	-	50,000	-	103,899
Total Other Increases in Fund Resources:		-	50,000	-	103,899
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	213,571
591-593, 599	Debt Service	-	-	-	159,634
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	50,000	-	103,700
Total Other Decreases in Fund Resources:		-	50,000	-	476,905
Increase (Decrease) in Cash and Investments:		(24)	56,498	1,282	94,592
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	41,432	276,752	73,178	42,646
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	516,709
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		41,432	276,752	73,178	559,355

The accompanying notes are an integral part of this statement.

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

		430 GARBAGE	450 IRRIGATION FUND
Beginning Cash and Investments			
308	Beginning Cash and Investments	259,400	40,564
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	284,524	198,106
350	Fines and Penalties	-	80
360	Miscellaneous Revenues	594	124
Total Revenues:		285,118	198,310
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	288,730	193,431
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		288,730	193,431
Excess (Deficiency) Revenues over Expenditures:		(3,612)	4,879
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	-	100,000
Total Other Increases in Fund Resources:		-	100,000
Other Decreases in Fund Resources			
594-595	Capital Expenditures	6,784	-
591-593, 599	Debt Service	-	1,864
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	100,000
Total Other Decreases in Fund Resources:		6,784	101,864
Increase (Decrease) in Cash and Investments:		(10,396)	3,015
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	249,002	43,577
50891	Unassigned	-	-
Total Ending Cash and Investments		249,002	43,577

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	001 CURRENT EXPENSE	100 STREETS	120 EMS FIRE DEPARTMENT
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,920,212	76,099	41,838	55,815
388 / 588	Net Adjustments	28,606	5,845	-	-
Revenues					
310	Taxes	1,309,490	1,020,386	13,726	32,543
320	Licenses and Permits	61,013	60,112	190	-
330	Intergovernmental Revenues	725,755	255,832	447,735	1,853
340	Charges for Goods and Services	1,418,174	42,380	-	-
350	Fines and Penalties	45,522	35,945	-	-
360	Miscellaneous Revenues	74,272	46,150	302	91
Total Revenues:		3,634,226	1,460,805	461,953	34,487
Expenditures					
510	General Government	485,399	485,399	-	-
520	Public Safety	913,133	820,713	-	28,773
530	Utilities	1,209,388	-	-	-
540	Transportation	110,998	-	110,998	-
550	Natural/Economic Environment	157,382	154,526	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	73,487	69,614	-	-
Total Expenditures:		2,949,787	1,530,252	110,998	28,773
Excess (Deficiency) Revenues over Expenditures:		684,439	(69,447)	350,955	5,714
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	129,167	124,167	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	491,914	140,214	-	-
Total Other Increases in Fund Resources:		621,081	264,381	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,066,961	31,990	407,065	-
591-593, 599	Debt Service	167,780	6,786	-	-
597	Transfers-Out	129,167	5,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	501,000	150,000	-	-
Total Other Decreases in Fund Resources:		1,864,908	193,776	407,065	-
Increase (Decrease) in Cash and Investments:		(559,388)	1,158	(56,110)	5,714
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	762,463	-	-	61,531
50841	Committed	9,692	9,692	-	-
50851	Assigned	563,176	5,038	-	-
50891	Unassigned	54,102	68,375	(14,273)	-
Total Ending Cash and Investments		1,389,433	83,105	(14,273)	61,531

The accompanying notes are an integral part of this statement.

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

		135 CRIMINAL JUSTICE FUND	139 PUBLIC SAFETY FUND	156 EMS TRAUMA CARE GRANT	175 FESTIVAL/FLOA T FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	38,347	43,614	3,291	16,581
388 / 588	Net Adjustments	-	22,761	-	-
Revenues					
310	Taxes	65,494	120,346	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	8,396	-	1,260	-
340	Charges for Goods and Services	-	20,221	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	76	422	6	112
Total Revenues:		73,966	140,989	1,266	112
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	48,171	15,476	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	3,873
Total Expenditures:		48,171	15,476	-	3,873
Excess (Deficiency) Revenues over Expenditures:		25,795	125,513	1,266	(3,761)
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	-	8,500	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	104,167	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	112,667	-	-
Increase (Decrease) in Cash and Investments:		25,795	12,846	1,266	(3,761)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	64,141	57,355	4,557	-
50841	Committed	-	-	-	-
50851	Assigned	-	21,867	-	12,820
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		64,141	79,222	4,557	12,820

The accompanying notes are an integral part of this statement.

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

		190 FED. HOUSING REHAB GRANT	335 CAPITAL IMPROVEMENT PLAN	350 FIRE DEPT. RES	410 WATER/SEWER
Beginning Cash and Investments					
308	Beginning Cash and Investments	40,447	170,873	70,583	1,069,925
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	56,995	-	-
320	Licenses and Permits	-	-	711	-
330	Intergovernmental Revenues	3,750	-	-	6,111
340	Charges for Goods and Services	-	-	-	881,243
350	Fines and Penalties	-	-	-	9,457
360	Miscellaneous Revenues	116	2,385	602	19,755
Total Revenues:		3,866	59,380	1,313	916,566
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	757,923
540	Transportation	-	-	-	-
550	Natural/Economic Environment	2,856	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,856	-	-	757,923
Excess (Deficiency) Revenues over Expenditures:		1,010	59,380	1,313	158,643
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	5,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	252,700
Total Other Increases in Fund Resources:		-	-	-	257,700
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	604,873
591-593, 599	Debt Service	-	-	-	159,634
597	Transfers-Out	-	10,000	-	5,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	252,000
Total Other Decreases in Fund Resources:		-	10,000	-	1,021,507
Increase (Decrease) in Cash and Investments:		1,010	49,380	1,313	(605,164)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	41,456	220,253	71,896	241,274
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	223,487
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		41,456	220,253	71,896	464,761

The accompanying notes are an integral part of this statement.

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

		430 GARBAGE	450 IRRIGATION FUND
Beginning Cash and Investments			
308	Beginning Cash and Investments	264,719	28,080
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	464	354
340	Charges for Goods and Services	275,441	198,889
350	Fines and Penalties	-	120
360	Miscellaneous Revenues	3,548	707
Total Revenues:		279,453	200,070
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	267,931	183,534
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		267,931	183,534
Excess (Deficiency) Revenues over Expenditures:		11,522	16,536
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	-	99,000
Total Other Increases in Fund Resources:		-	99,000
Other Decreases in Fund Resources			
594-595	Capital Expenditures	11,840	2,693
591-593, 599	Debt Service	-	1,360
597	Transfers-Out	5,000	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	99,000
Total Other Decreases in Fund Resources:		16,840	103,053
Increase (Decrease) in Cash and Investments:		(5,318)	12,483
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	259,400	40,564
50891	Unassigned	-	-
Total Ending Cash and Investments		259,400	40,564

The accompanying notes are an integral part of this statement.

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

		Custodial
308	Beginning Cash and Investments	6,468
388 & 588	Net Adjustments	-
310-390	Additions	118,885
510-590	Deductions	105,231
	Net Increase (Decrease) in Cash and Investments:	13,654
508	Ending Cash and Investments	20,123

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	Private-Purpose Trust	Custodial
308	Beginning Cash and Investments	72,519	65,689	6,830
388 & 588	Net Adjustments	(65,689)	(65,689)	-
310-390	Additions	115,292	-	115,292
510-590	Deductions	115,654	-	115,654
	Net Increase (Decrease) in Cash and Investments:	(362)	-	(362)
508	Ending Cash and Investments	6,468	-	6,468

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	Private-Purpose Trust	Custodial
308	Beginning Cash and Investments	75,062	69,475	5,587
388 & 588	Net Adjustments	(5,037)	(5,037)	-
310-390	Additions	120,315	1,251	119,064
510-590	Deductions	117,820	-	117,820
	Net Increase (Decrease) in Cash and Investments:	2,495	1,251	1,244
508	Ending Cash and Investments	72,519	65,689	6,830

The accompanying notes are an integral part of this statement.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The City of Granger was incorporated on September 28, 1909, and operates under the laws of the state of Washington applicable to a second-class city. The City of Granger is a general-purpose local government and provides general administrative services, public safety, municipal court, fire protection, parks, street improvements, water, sewer, garbage services, and irrigation.

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 *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Capital Projects Funds

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

PROPRIETARY FUND TYPES:

Enterprise Funds

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

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

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 individual cost of more than \$2,500 and an estimated useful life in excess of 1 year(s). Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 45 days (or 360 hours) and is payable upon separation or retirement per Teamster union contract. Sick leave may be accumulated up to 640 hours. Upon separation or retirement employees may receive payment for unused sick leave. Payouts for compensated absences vary by contract. Comp time accrued in lieu of overtime is payable upon separation or retirement. Payments are recognized as expenditures when paid. Total value of compensated absences as reported on Schedule 9 as of December 31, 2022, is \$153,611.89.

F. Long-Term Debt

See Note 6 – *Debt Service Requirements*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City of

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

Granger's legislative body by ordinance. When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined
General Fund		9,891	9,891
EMS Fire Dept	71,157		71,157
Criminal Justice	63,714		63,714
Public Safety	109,555		109,555
EMS Trama Care	7,071		7,071
Rehab Housing	40,650		40,650
Capital Improvement	211,755		211,755
Fire Dept Reserve	74,706		74,706
Water/Sewer	43,736		43,736
<i>Totals</i>	<i>\$ 622,344</i>	<i>\$ 9,891</i>	<i>\$ 632,235</i>

Note 2 - Budget Compliance

The city adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level, except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
CURRENT EXPENSE	1,824,004	2,128,216	(304,212)
PARKS AND RECREATION FUND	3,868	4,759	(891)
BELL MEMORIAL FUND	500	17,547	(17,047)
Total 001 - CURRENT EXPENSE	\$ 1,828,372	\$ 2,150,522	\$ (322,150)
100 - STREETS	\$ 195,821	\$ 166,665	\$ 29,156
120 - EMS FIRE DEPARTMENT	\$ 47,706	\$ 26,309	\$ 21,397
135 - CRIMINAL JUSTICE FUND	\$ 80,326	\$ 113,271	\$ (32,945)
137 - CRIME PREVENTION FUND	\$ 1,000	\$ 586	\$ 414
139 - PUBLIC SAFETY FUND	\$ 70,876	\$ 294,148	\$ (223,272)
156 - EMS TRAUMA CARE GRANT	\$ 1,300	\$ (83)	\$ 1,383
175 - FESTIVAL/FLOAT FUND	\$ 7,075	\$ 172	\$ 6,903
190 - FED. HOUSING REHAB GRANT	\$ 3,568	\$ 3,654	\$ (86)
196 - PLANNING ONLY GRANT	\$ 16	\$ -	\$ 16
335 - CAPITAL IMPROVEMENT PLAN	\$ 149,675	\$ 99,675	\$ 50,000
350 - FIRE DEPT. RES	\$ 1,175	\$ -	\$ 1,175
WATER/SEWER	1,008,840	1,414,466	(405,626)
CONSUMER DEPOSIT FUND	2,000	4,109	(2,109)
WATER/SEWER RESERVE FUND	100,000	100,000	-
Total 410 - WATER/SEWER	\$ 1,110,840	\$ 1,518,576	\$ (407,736)
420 - SEWER FUND	\$ 227,592	\$ 65,921	\$ 161,672
430 - GARBAGE	\$ 317,820	\$ 375,252	\$ (57,432)
450 - IRRIGATION FUND	\$ 283,476	\$ 308,709	\$ (25,233)
630 - COURT BOND FUND	\$ -	\$ 105,230	\$ (105,230)

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

Title for Disclosure	Details for Disclosure
Budget overexpenditures	Street fund projects under budgeted due to increasing material costs due to COVID-19 Pandemic.
Material interfund transfers	Interfund transfer due to Irrigation statement due before collection.
Summary of budget amendments	Inproper planning of expenditures and budgeting
Eliminated due to consolidation	Water/Sewer consolidated to cover water expenditures

Note 3 – COVID-19 Pandemic

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

In February 2022, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel, and non-essential activities.

COVID 19 Pandemic Disclosure Details

COVID-19 had a great impact on all small low income communities with low revenues. Residents were unable to pay for their utilities and spend within the community.

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

Note 4 – Deposits and Investments

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

Type of Deposit or Investment	City of Granger's own deposits & investments	Deposits & investments held by the City Granger as custodian for other local governments, individuals, or private organizations.	
			Combined
Checking Deposits	125,351	20,123	145,474
Bonds	494,648		494,648
LGIP	954,419		954,419
<i>Totals</i>	1,574,418	20,123	1,594,541

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

Investments in the State Local Government Investment Pool (LGIP)

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

The Office of the State Treasurer prepares a stand-alone financial report for the Pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

Custodial Credit Risk

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

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

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2022:

Borrowing Fund	Lending Fund	Beginning Balance	New Loans	Payments	Ending Balance
450	480	40564	100,000.00	100,000.00	-

Note 6 – Long-Term Debt *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the town and summarizes the town's debt transactions for the year ended December 31, 2022.

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

Year	Principal	Interest	Total Debt Service
2023	111,962	52,498	164,460
2024	114,862	49,598	164,460
2025	117,956	46,504	164,460
2026	121,084	43,376	164,460
2027	124,301	40,159	164,460
2028-2032	678,274	148,721	826,995
2033-2037	461,221	58,888	520,110
2038-2042	79,561	29,879	109,440
2043-2047	93,364	16,076	109,440
2048-2052	41,732	2,044	43,776
Totals	1,944,316	487,743	2,432,059

Note 7 – OPEB

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the city. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2022, the plan had one member, all retirees. As of December 31, 2022, the city's total OPEB liability was \$452,354, as calculated using the alternative measurement method. For the year ended December 31, 2022, the city paid \$12,592 in benefits.

Plan Name	Plan Administrator	Type (DBP or DCP)	Plan Description	# of Active Employees	# of Retired Employees	Employer Contribution	Liability
Leoff 1	Northwest Administrators	DBP	Leoff 1 Healthcare		1	5397	364363
Total							364363

The city paid \$5,397 in claims during 2022 and paid \$7,200 of employee premiums at fiscal year-end.

Note 8 – Pension Plans

A. State Sponsored Pension Plans

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

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

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

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

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

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	21,468.76	0.003503%	2,784,367,000	97,536	
PERS 2/3	36,798.76	0.004581%	(3,708,781,000)		(169,899)
LEOFF 1		0.00075800%	(2,868,613,000)		(21,744)
LEOFF 2	28,231.60	0.013636%	(2,717,698,000)		(370,585)
VFFRPF	60.00	0.000300%	(22,005,000)		(6,944)
		<i>Totals</i>		\$ 97,536	\$ (562,229)

LEOFF Plan 1

The town 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 town 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.

C. Defined Contribution Pension Plans

The City of Granger participates in a non-governmental (union sponsored) Western Conference of Teamsters Pension Trust Plan. The plan is administered by Northwest Administrators as follows:

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

Contract	Employer Contribution Per Hour	Employee Contribution Per Hour
Dept Heads	\$ 2.60	\$ 2.00
Public Works/CI	\$ 2.00	\$ 0.50
Police Officers	\$ 1.50	\$ -
Police Chief/LT	\$ 2.60	\$ 2.00
Total Employer Contribution		\$ 60,706.00

Note 9 - Property Tax

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

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

The town's regular levy for the year 2022 was \$1.94 per \$1,000 on an assessed valuation of \$153,688,950 for a total regular levy of \$299,150.15.

Note 10 – Risk Management

The City of Granger 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 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, 2018, 100 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 coverage, with the exception of pollution liability, is 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, and cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with property insurance carrier and fidelity (crime) and 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.

Members pay annual assessments 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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2022

have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for an 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 Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2018, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through a 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.

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.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies

The City of Granger was incorporated on September 28, 1909, and operates under the laws of the state of Washington applicable to a second-class city. The City of Granger is a general-purpose local government and provides general administrative services, public safety, municipal court, fire protection, parks, street improvements, water, sewer, garbage services, and irrigation.

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 presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Capital Projects Funds

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

PROPRIETARY FUND TYPES:

Enterprise Funds

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

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

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 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of 1 year(s). Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 45 days (or 360 hours) and is payable upon separation or retirement per Teamster union contract. Sick leave may be accumulated up to 640 hours. Upon separation or retirement employees may receive payment for unused sick leave. Payouts for compensated absences vary by contract. Comp time accrued in lieu of overtime is payable upon separation or retirement. Payments are recognized as expenditures when paid. Total value of compensated absences as reported on Schedule 9 as of December 31, 2021, is \$197,507.34.

F. Long-Term Debt

See Note 6 – *Debt Service Requirements*.

G. Restricted and Committed Portion of Ending Cash and Investments

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

Restrictions and commitments of Ending Cash and Investments consist of:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
General Fund		9,778	9,778	
EMS Fire Dept	57,409		57,409	Restricted Revenue Sources
Criminal Justice	64,020		64,020	Restricted Revenue Sources
Public Safety	28,077		28,077	Restricted Revenue Sources
EMS Trauma Care	5,862		5,862	Restricted Grant Sources
Rehab Housing	41,432		41,432	Restricted Grant Sources
Capital Improvement	276,752		276,752	Restricted Revenue Sources
Fire Dept Reserve	73,178		73,178	Restricted Revenue Sources
Water/Sewer	42,646		42,646	External Obligation Requirements
<i>Totals</i>	<i>\$ 589,376</i>	<i>\$ 9,778</i>	<i>\$ 599,154</i>	

Note 2 - Budget Compliance

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

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

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
CURRENT EXPENSE	2,146,961	2,119,225	27,736
PARKS AND RECREATION FUND	24	0	24
Total 001 - CURRENT EXPENSE	\$ 2,146,985	\$ 2,119,225	\$ 27,760
100 - STREETS	\$ 113,626	\$ 128,017	\$ (14,391)
120 - EMS FIRE DEPARTMENT	\$ 44,668	\$ 39,661	\$ 5,007
135 - CRIMINAL JUSTICE FUND	\$ 70,967	\$ 80,556	\$ (9,589)
CRIME PREVENTION FUND	1,000	1,261	-261
PUBLIC SAFETY FUND	177,386	163,916	13,470
Total 139 - PUBLIC SAFETY FUND	\$ 178,386	\$ 165,177	\$ 13,209
175 - FESTIVAL/FLOAT FUND	\$ 6,223	\$ 1,088	\$ 5,135
190 - FED. HOUSING REHAB GRA	\$ 3,018	\$ 3,206	\$ (188)
335 - CAPITAL IMPROVEMENT P	\$ 50,000	\$ 50,000	\$ -
WATER/SEWER	1,276,932	1,128,947	147,985
CONSUMER DEPOSIT FUND	1,600	3,700	-2,100
WATER/SEWER RESERVE FUND	100,000	100,000	0
Total 410 - WATER/SEWER	\$ 1,378,532	\$ 1,232,647	\$ 145,885
430 - GARBAGE	\$ 305,818	\$ 295,516	\$ 10,302
450 - IRRIGATION FUND	\$ 287,921	\$ 295,296	\$ (7,375)
622 - BELL MEMORIAL FUND	\$ -	\$ 65,689	\$ (65,689)
630 - COURT BOND FUND	\$ -	\$ 115,652	\$ (115,652)

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

Title for Disclosure	Details for Disclosure
Budget overexpenditures	Street fund projects under budgeted due to increasing material costs due to COVID-19 Pandemic.
Material interfund transfers	Interfund transfer due to Irrigation statement due before collection.
Summary of budget amendments	Inproper planning of expenditures and budgeting
Eliminated due to consolidation	Water/Sewer consolidated to cover water expenditures

Note 3 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration,

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

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.

COVID 19 Pandemic Disclosure Details

COVID-19 had a great impact on all small low income communities with low revenues. Residents were unable to pay for their utilities and spend within the community.

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

Note 4 – Deposits and Investments

Investments are reported at (amortized cost/original cost/fair value). Deposits and investments by type on December 31, 2021, are as follows:

Type of Deposit or Investment	City of Granger's own deposits & investments	Deposits & investments held by the City of granger as custodian for other local governments, individuals, or private organizations.	Combined
Checking Deposits	607,911	6,468	614,379
Bonds	991,462		991,462
LGIP	223,704		223,704
<i>Totals</i>	1,823,077	6,468	1,829,545

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

Investments in the State Local Government Investment Pool (LGIP)

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

The Office of the State Treasurer prepares a stand-alone financial report for the Pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the city would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The city's deposits and certificates of deposit are mostly covered by

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2021:

Borrowing Fund	Lending Fund	Beginning Balance	New Loans	Payments	Ending Balance
450	480	\$ 40,564	100,000.00	100,000.00	\$ 40,564
1	335	\$ -	50,000.00	50,000.00	\$ -

Note 6 – Long-Term Debt *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the town and summarizes the town's debt transactions for the year ended December 31, 2021.

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

Year	Principal	Interest	Total Debt Service
2022	109,087	55,372	164,460
2023	111,962	52,498	164,460
2024	114,862	49,598	164,460
2025	117,956	46,504	164,460
2026	121,084	43,376	164,460
2027-2031	659,429	166,437	825,866
2032-2036	589,922	73,888	663,810
2037-2041	77,057	32,383	109,440
2042-2046	90,425	19,015	109,440
2047-2051	61,620	4,044	65,664
<i>Totals</i>	2,053,404	543,116	2,596,519

Note 7 – OPEB Plan

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the city. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

December 31, 2021, the plan had one member, all retirees. As of December 31, 2021, the city's total OPEB liability was \$428,699, as calculated using the alternative measurement method. For the year ended December 31, 2021, the city paid \$12,592 in benefits.

Plan Name	Plan Administrator	Type (DBP or DCP)	Plan Description	# of Active Employees	# of Retired Employees	Employer Contribution	Liability
Leoff 1	Northwest Administrators	DBP	Leoff 1 Healthcare		1	3382	399050
						Total	399050

The city paid \$3,382 in claims during 2021 and paid \$7,200 of employee premiums at fiscal year-end.

Note 8 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the town's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 1 UAAL, PERS 2/3, and LEOFF 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 comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

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

On June 30, 2021 (the measurement date of the plans), the town's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	29,594.85	0.00397300%	1,221,234,000	48,520	
PERS 2/3	48,318.66	0.00510100%	-9,961,609,000		(508,142)
LEOFF 1		0.00077600%	(3,425,562,000)		(26,582)
LEOFF 2	24,845.23	0.01246300%	(5,808,414,000)		(723,903)
		<i>Totals</i>		\$ 48,520	\$ (1,258,627)

LEOFF Plan 1

The town 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 town 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.

C. Defined Benefit Plans

The City of Granger participates in a non-governmental (union sponsored) Western Conference of Teamsters Pension Trust Plan. The plan is administered by Northwest Administrators as follows:

Contract	Employer Contribution Per Hour	Employee Contribution Per Hour
Dept Heads	\$ 2.60	\$ 2.00
Public Works/CI	\$ 2.00	\$ 0.50
Police Officers	\$ 1.50	\$ -
Police Chief/LT	\$ 2.60	\$ 2.00
Total Employer Contribution		\$ 84,181.00

Note 9 - 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/after) the end of each month.

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

The town's regular levy for the year 2021 was \$2.10 per \$1,000 on an assessed valuation of \$134,664,360 for a total regular levy of \$283,024.69.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

Note 10 – Risk Management

The City of Granger 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 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, 2018, 100 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 coverage, 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, and cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with property insurance carrier and fidelity (crime) and 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.

Members pay annual assessments 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 Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for an 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 Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2018, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through a 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.

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.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2021

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.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies

The City of Granger was incorporated on September 28, 1909, and operates under the laws of the state of Washington applicable to a second-class city. The City of Granger is a general-purpose local government and provides general administrative services, public safety, municipal court, fire protection, parks, street improvements, water, sewer, garbage services, and irrigation.

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 *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Capital Projects Funds

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

PROPRIETARY FUND TYPES:

Enterprise Funds

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

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

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 individual cost of more than \$2,500 and an estimated useful life in excess of 1 year(s). Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 45 days (or 360 hours) and is payable upon separation or retirement per Teamster union contract. Sick leave may be accumulated up to 640 hours. Upon separation or retirement employees may receive payment for unused sick leave. Payouts for compensated absences vary by contract. Comp time accrued in lieu of overtime is payable upon separation or retirement. Payments are recognized as expenditures when paid. Total value of compensated absences as reported on Schedule 9 as of December 31, 2020, is \$220,399.59.

F. Long-Term Debt

See Note 6 – *Debt Service Requirements*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City of

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

Granger's legislative body by ordinance. When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined
General Fund		9,891	9,891
EMS Fire Dept	61,531		61,531
Criminal Justice	64,141		64,141
Public Safety	57,535		57,535
EMS Trauma Care	4,557		4,557
Rehab Housing	41,456		41,456
Capital Improvement	220,253		220,253
Fire Dept Reserve	71,896		71,896
Water/Sewer	283,721		283,721
Garbage	121,674		121,674
<i>Totals</i>	<i>\$ 926,764</i>	<i>\$ 9,891</i>	<i>\$ 936,655</i>

Restrictions and commitments of Ending Cash and Investments consist of \$ 936,655.

Note 2 - Budget Compliance

The city adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
CURRENT EXPENSE	1,814,770	1,723,956	90,814
PARKS AND RECREATION FUND	24	66	-42
Total 001 - CURRENT EXPENSE	\$ 1,814,794	\$ 1,724,022	\$ 90,772
100 - STREETS	\$ 498,417	\$ 518,063	\$ (19,646)
120 - EMS FIRE DEPARTMENT	\$ 33,627	\$ 28,771	\$ 4,856
135 - CRIMINAL JUSTICE FUND	\$ 67,383	\$ 48,171	\$ 19,212
CRIME PREVENTION FUND	2	931	-929
PUBLIC SAFETY FUND	134,298	127,212	7,086
Total 139 - PUBLIC SAFETY FUND	\$ 134,300	\$ 128,143	\$ 6,157
175 - FESTIVAL/FLOAT FUND	\$ 5,624	\$ 3,873	\$ 1,751
190 - FED. HOUSING REHAB GRANT	\$ 2,930	\$ 2,856	\$ 74
335 - CAPITAL IMPROVEMENT PLAN	\$ 10,000	\$ 10,000	\$ -
WATER/SEWER	1,279,623	1,672,428	-392,805
CONSUMER DEPOSIT FUND	3,000	3,000	0
WATER/SEWER RESERVE FUND	104,000	104,000	0
Total 410 - WATER/SEWER	\$ 1,386,623	\$ 1,779,428	\$ (392,805)
GARBAGE	330,033	279,772	50,261
GARBAGE RESERVE	5,000	5,000	0
Total 430 - GARBAGE	\$ 335,033	\$ 284,772	\$ 50,261
450 - IRRIGATION FUND	\$ 302,891	\$ 286,586	\$ 16,305
622 - BELL MEMORIAL FUND	\$ 5,000	\$ 5,037	\$ (37)
630 - COURT BOND FUND	\$ -	\$ 117,821	\$ (117,821)
Totals	\$ 4,596,622	\$ 4,819,723	\$ (223,101)

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

Title for Disclosure	Details for Disclosure
Budget overexpenditures	Street fund projects under budgeted due to increasing material costs due to COVID-19 Pandemic.
Material interfund transfers	Interfund transfer due to Irrigation statement due before collection.
Summary of budget amendments	Inproper planning of expenditures and budgeting
Eliminated due to consolidation	Water/Sewer consolidated to cover water expenditures

Note 3 – COVID-19 Pandemic

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

COVID 19 Pandemic Disclosure Details
COVID-19 had a great impact on all small low income communities with low revenues. Residents were unable to pay for their utilities and spend within the community.

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

Note 4 – Deposits and Investments

Investments are reported at (amortized cost/original cost/fair value). Deposits and investments by type on December 31, 2020, are as follows:

Type of Deposit or Investment	City's own deposits & investments	Deposits & investments held by the City as custodian for other local governments, individuals, or private organizations.	Combined
Checking Deposits	174,268	72,519	246,787
Bonds	991,462		991,462
LGIP	223,704		223,704
<i>Totals</i>	1,389,434	72,519	1,461,953

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

Investments in the State Local Government Investment Pool (LGIP)

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

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

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

Custodial Credit Risk

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

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

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2020:

Borrowing Fund	Lending Fund	Beginning Balance	New Loans	Payments	Ending Balance
450	480	5,000.00	99,000.00	99,000.00	-
1	410	362,162.00	150,000.00	150,000.00	-

Note 6 – Long-Term Debt *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the town and summarizes the town's debt transactions for the year ended December 31, 2020.

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

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

Year	Principal	Interest	Total Debt Service
2021	106,293	58,167	164,460
2022	109,087	55,372	164,460
2023	111,962	52,498	164,460
2024	114,862	49,598	164,460
2025	117,956	46,504	164,460
2026-2030	641,097	183,640	824,737
2031-2035	715,369	92,142	807,511
2036-2040	74,610	34,830	109,440
2041-2045	87,579	21,861	109,440
2046-2050	80,882	6,670	87,552
<i>Totals</i>	2,159,696	601,283	2,760,979

Note 7 – OPEB Plan

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the city. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2020, the plan had one member, all retirees. As of December 31, 2020, the city's total OPEB liability was \$428,699, as calculated using the alternative measurement method. For the year ended December 31, 2020, the city paid \$12,592 in benefits.

Plan Name	Plan Administrator	Type (DBP or DCP)	Plan Description	# of Active Employees	# of Retired Employees	Employer Contribution	Liability
Leoff 1	Northwest Administrators	DBP	Leoff 1 Healthcare		1	5829	428699
						Total	428699

The City paid \$5,269 in claims during 2020 and paid \$6,763 of employee premiums at fiscal year-end.

Note 8 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the town's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 1 UAAL, PERS 2/3, LEOFF 1, and LEOFF 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 comprehensive annual financial report (CAFR) that includes

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

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

On June 30, 2020 (the measurement date of the plans), the town's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	30541.67	0.00421400%	3,530,540,000	148,777	
PERS 2/3	50801.2	0.05514000%	1,278,943,000	705,209	
LEOFF 1		0.00758000%	(1,888,509,000)		(143,149)
LEOFF 2	23998.62	0.01226800%	(2,039,854,000)		(250,249)
		<i>Totals</i>		\$ 853,986	\$ (393,398)

LEOFF Plan 1

The town 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 town 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.

C. Defined Benefit Plans

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

The City of Granger participates in a non-governmental (union sponsored) Western Conference of Teamsters Pension Trust Plan. The plan is administered by Northwest Administrators as follows:

Contract	Employer		Employee	
	Contribution	Per	Contribution	Per
		Hour		Hour
Dept Heads	\$	2.60	\$	2.00
Public Works/Clerks	\$	2.00	\$	0.50
Police Officers	\$	1.50	\$	-
Police Chief/LT	\$	2.60	\$	2.00
Total Employer Contribution			\$	78,735.00

Note 9 - 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/after) the end of each month.

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

The town's regular levy for the year 2020 was \$1 per \$1,000 on an assessed valuation of \$286,703,000 for a total regular levy of \$286,703.

Levy Type	Per \$1000	Assessed	
		Valuation	Amount
Regular	1.00	286,703,000	286,703

Note 10 – Risk Management

The City of Granger 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 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, 2018, 100 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 coverage, with the exception of pollution liability, is on an occurrence basis.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2020

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, and cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with property insurance carrier and fidelity (crime) and 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.

Members pay annual assessments 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 Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for an 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 Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2018, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through a 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.

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.

City of Granger
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						
263.81	USDA Loan	5/25/2049	398,299	-	8,943	389,356
263.81	WA ST Water Pollution	8/30/2035	1,467,231	-	89,876	1,377,355
263.81	First Interstate	11/1/2034	187,614	-	10,268	177,346
Total General Obligation Debt/Liabilities:			2,053,144	-	109,087	1,944,057
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		197,507	-	43,895	153,612
264.30	Pension Liability		48,520	49,016	-	97,536
264.40	OPEB		535,897	-	83,543	452,354
263.57	Copier Lease		1,105	-	947	158
Total Revenue and Other (non G.O.) Debt/Liabilities:			783,029	49,016	128,385	703,660
Total Liabilities:			2,836,173	49,016	237,472	2,647,717

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	2010 USDA RD Loan	5/25/2050	407,040	-	8,662	398,378
263.81	WA ST Water Pollution	8/30/2035	1,555,066	-	87,834	1,467,232
263.81	First Interstate Bank	11/1/2034	197,356	-	9,796	187,560
Total General Obligation Debt/Liabilities:			2,159,462	-	106,292	2,053,170
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		189,084	8,423	-	197,507
264.40	OPEB		428,699	-	29,649	399,050
264.30	Pension Liability		219,298	-	170,778	48,520
Total Revenue and Other (non G.O.) Debt/Liabilities:			837,081	8,423	200,427	645,077
Total Liabilities:			2,996,543	8,423	306,719	2,698,247

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	2010 USDA RD Loan	5/25/2050	415,393	-	8,353	407,040
263.81	WA ST Water Pollution	8/30/2035	1,640,905	-	85,839	1,555,066
263.81	First Interstate Bank	11/1/2034	206,809	-	9,453	197,356
Total General Obligation Debt/Liabilities:			2,263,107	-	103,645	2,159,462
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		178,356	63,935	53,207	189,084
264.30	Pension Liability		226,334	-	7,036	219,298
264.40	OPEB Liability		413,198	15,501	-	428,699
Total Revenue and Other (non G.O.) Debt/Liabilities:			817,888	79,436	60,243	837,081
Total Liabilities:			3,080,995	79,436	163,888	2,996,543

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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