



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements and Federal Single Audit Report

## City of West Richland

For the period January 1, 2023 through December 31, 2023

*Published September 19, 2024*

Report No. 1035553



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

September 19, 2024

Mayor and City Council  
City of West Richland  
West Richland, Washington

**Report on Financial Statements and Federal Single Audit**

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

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

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy, State Auditor  
Olympia, WA

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## TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
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> .....	6
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance .....	9
Independent Auditor's Report on the Financial Statements.....	13
Financial Section.....	17
About the State Auditor's Office.....	58

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## City of West Richland January 1, 2023 through December 31, 2023

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the City’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

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

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

#### Federal Awards

Internal Control over Major Programs:

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

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

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

## Identification of Major Federal Programs

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

<u>ALN</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction

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

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

## SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

## 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 West Richland January 1, 2023 through December 31, 2023**

Mayor and City Council  
City of West Richland  
West Richland, 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 West Richland, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated September 12, 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 audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

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

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

## **PURPOSE OF THIS REPORT**

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

September 12, 2024



# INDEPENDENT AUDITOR'S REPORT

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

**City of West Richland**  
**January 1, 2023 through December 31, 2023**

Mayor and City Council  
City of West Richland  
West Richland, Washington

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

#### **Opinion on Each Major Federal Program**

We have audited the compliance of the City of West Richland, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

#### **Basis for Opinion on Each Major Federal Program**

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

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

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

### **Responsibilities of Management for Compliance**

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

### **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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

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

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

We noted certain other matters that we have reported to the management of the City in a separate letter dated September 12, 2024.

### **Purpose of this Report**

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

September 12, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **City of West Richland January 1, 2023 through December 31, 2023**

Mayor and City Council  
City of West Richland  
West Richland, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of the City of West Richland, as of and for the year ended December 31, 2023, 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 West Richland, and its changes in cash and investments, for the year ended December 31, 2023, 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 West Richland, as of December 31, 2023, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

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

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

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

## **Matters of Emphasis**

As discussed in Note 14 to the financial statements, in 2023, the City adopted new accounting guidance for the presentation and disclosure of Subscription-Based Information Technology Arrangements as required by the BARS Manual. Our opinion is not modified with respect to this matter

## **Responsibilities of Management for the Financial Statements**

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

## Supplementary Information

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

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

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 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.



Pat McCarthy, State Auditor

Olympia, WA

September 12, 2024



**City of West Richland  
January 1, 2023 through December 31, 2023**

**FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2023  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2023  
Notes to Financial Statements – 2023

**SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2023  
Schedule of Expenditures of Federal Awards – 2023  
Notes to the Schedule of Expenditures of Federal Awards – 2023

**City of West Richland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General Fund</b>	<b>101 Street Fund</b>	<b>104 Park Impact Fund</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	37,228,320	13,125,741	649,421	1,274,981
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	9,887,052	6,622,543	86,712	-
320	Licenses and Permits	590,460	586,335	4,125	-
330	Intergovernmental Revenues	4,798,678	498,906	344,974	-
340	Charges for Goods and Services	12,327,829	591,753	11,333	38,645
350	Fines and Penalties	204,506	108,714	-	-
360	Miscellaneous Revenues	10,052,919	727,938	19,521	52,466
Total Revenues:		<u>37,861,444</u>	<u>9,136,189</u>	<u>466,665</u>	<u>91,111</u>
<b>Expenditures</b>					
510	General Government	2,072,083	2,065,417	-	-
520	Public Safety	5,115,833	4,685,915	-	-
530	Utilities	9,658,533	-	-	-
540	Transportation	652,347	-	647,113	-
550	Natural/Economic Environment	1,205,069	1,205,069	-	-
560	Social Services	19,441	19,441	-	-
570	Culture and Recreation	1,545,480	974,733	-	108
Total Expenditures:		<u>20,268,786</u>	<u>8,950,575</u>	<u>647,113</u>	<u>108</u>
Excess (Deficiency) Revenues over Expenditures:		17,592,658	185,614	(180,448)	91,003
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	1,112,712	-	-	-
397	Transfers-In	1,702,359	563,782	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	1,179,279	465,700	4,853	-
Total Other Increases in Fund Resources:		<u>3,994,350</u>	<u>1,029,482</u>	<u>4,853</u>	<u>-</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	10,274,170	323,185	302,835	20,893
591-593, 599	Debt Service	2,342,508	118,277	951	-
597	Transfers-Out	1,702,359	979,177	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	839,233	131,089	-	-
Total Other Decreases in Fund Resources:		<u>15,158,270</u>	<u>1,551,728</u>	<u>303,786</u>	<u>20,893</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b><u>6,428,738</u></b>	<b><u>(336,632)</u></b>	<b><u>(479,381)</u></b>	<b><u>70,110</u></b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	18,230,304	291,805	-	1,250,901
50841	Committed	424,008	-	-	-
50851	Assigned	12,505,450	-	170,042	94,189
50891	Unassigned	12,497,311	12,497,311	-	-
<b>Total Ending Cash and Investments</b>		<b><u>43,657,073</u></b>	<b><u>12,789,116</u></b>	<b><u>170,042</u></b>	<b><u>1,345,090</u></b>

The accompanying notes are an integral part of this statement.

**City of West Richland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

		<b>105 Criminal Justice Fund</b>	<b>106 Tourism Promotion Fund</b>	<b>121 Library Services Fund</b>	<b>203 2014 Councilmanic Bond Fund</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	920,710	21,346	364,422	-
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,195,054	12,958	647,830	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	45,621	-	-	-
340	Charges for Goods and Services	2,361	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	45,106	1,103	16,003	-
Total Revenues:		<u>1,288,142</u>	<u>14,061</u>	<u>663,833</u>	<u>-</u>
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	410,423	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	570,639	-
Total Expenditures:		<u>410,423</u>	<u>-</u>	<u>570,639</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		<u>877,719</u>	<u>14,061</u>	<u>93,194</u>	<u>-</u>
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	159,400
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>159,400</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	7	-	31	159,400
597	Transfers-Out	563,782	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>563,789</u>	<u>-</u>	<u>31</u>	<u>159,400</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b><u>313,930</u></b>	<b><u>14,061</u></b>	<b><u>93,163</u></b>	<b><u>-</u></b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,161,212	33,829	-	-
50841	Committed	-	-	331,435	-
50851	Assigned	73,427	1,577	126,151	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b><u>1,234,639</u></b>	<b><u>35,406</u></b>	<b><u>457,586</u></b>	<b><u>-</u></b>

The accompanying notes are an integral part of this statement.

**City of West Richland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

		<b>206 Street Light Retro Fit Program Fund</b>	<b>207 Debt Service - Police Facility Fund</b>	<b>208 Debt Service - Cooperative</b>	<b>301 Cap. Imp. Fund - REET I</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	336,119	65,445	-	2,274,607
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	523,718	-	399,157
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	437,624
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	12,377	8,292	65,342	97,966
Total Revenues:		12,377	532,010	65,342	934,747
<b>Expenditures</b>					
510	General Government	-	-	-	6,666
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	6,666
Excess (Deficiency) Revenues over Expenditures:		12,377	532,010	65,342	928,081
<b>Other Increases in Fund Resources</b>					
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:		-	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	641,928
591-593, 599	Debt Service	65,725	494,013	65,342	79,961
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		65,725	494,013	65,342	721,889
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(53,348)</b>	<b>37,997</b>	<b>-</b>	<b>206,192</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	2,325,415
50841	Committed	-	92,573	-	-
50851	Assigned	282,772	10,868	-	155,382
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>282,772</b>	<b>103,441</b>	<b>-</b>	<b>2,480,797</b>

The accompanying notes are an integral part of this statement.

**City of West Richland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

		<b>302 Cap. Imp. Fund - REET II - Street Overla</b>	<b>315 Cap. Imp. Fund - Police Facility</b>	<b>321 Cap. Imp. Fund - CERB Cooperative</b>	<b>355 Cap. Imp. Fund - Trans. Imp. Program</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	2,798,707	555,206	112,244	609,750
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	399,080	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	155,373	-	291,835	1,837,055
340	Charges for Goods and Services	-	-	-	378,820
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	118,041	14,471	69,248	15,129
Total Revenues:		<u>672,494</u>	<u>14,471</u>	<u>361,083</u>	<u>2,231,004</u>
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	19,495	-	-
530	Utilities	-	-	-	-
540	Transportation	4,585	-	-	649
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>4,585</u>	<u>19,495</u>	<u>-</u>	<u>649</u>
Excess (Deficiency) Revenues over Expenditures:		<u>667,909</u>	<u>(5,024)</u>	<u>361,083</u>	<u>2,230,355</u>
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	173,482	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	49,723	32,962
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>223,205</u>	<u>32,962</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	284,251	353,767	108,639	2,872,995
591-593, 599	Debt Service	4	-	234	73
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	587,659	-
Total Other Decreases in Fund Resources:		<u>284,255</u>	<u>353,767</u>	<u>696,532</u>	<u>2,873,068</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b><u>383,654</u></b>	<b><u>(358,791)</u></b>	<b><u>(112,244)</u></b>	<b><u>(609,751)</u></b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,983,179	114,142	-	-
50841	Committed	-	-	-	-
50851	Assigned	199,182	82,273	-	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b><u>3,182,361</u></b>	<b><u>196,415</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

The accompanying notes are an integral part of this statement.

**City of West Richland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

		<b>401 Water/Sewer Utility Fund</b>	<b>402 Irrigation Utility Fund</b>	<b>404 Storm Water Utility Fund</b>	<b>405 Solid Waste Utility Fund</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	12,537,274	205,325	1,058,860	318,162
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	993,496	-	193,794	-
340	Charges for Goods and Services	8,140,872	138,602	575,463	2,449,980
350	Fines and Penalties	68,509	1,197	4,964	21,122
360	Miscellaneous Revenues	8,350,997	10,839	407,317	20,763
Total Revenues:		<u>17,553,874</u>	<u>150,638</u>	<u>1,181,538</u>	<u>2,491,865</u>
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	6,607,821	60,637	557,493	2,432,582
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>6,607,821</u>	<u>60,637</u>	<u>557,493</u>	<u>2,432,582</u>
Excess (Deficiency) Revenues over Expenditures:		10,946,053	90,001	624,045	59,283
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	939,230	-	-	-
397	Transfers-In	979,177	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	626,041	-	-	-
Total Other Increases in Fund Resources:		<u>2,544,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	5,022,990	-	342,687	-
591-593, 599	Debt Service	1,344,581	1,013	5,570	7,326
597	Transfers-Out	135,490	7,970	15,940	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	120,485	-	-	-
Total Other Decreases in Fund Resources:		<u>6,623,546</u>	<u>8,983</u>	<u>364,197</u>	<u>7,326</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b><u>6,866,955</u></b>	<b><u>81,018</u></b>	<b><u>259,848</u></b>	<b><u>51,957</u></b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	10,069,821	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	9,334,411	286,344	1,318,712	370,120
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b><u>19,404,232</u></b>	<b><u>286,344</u></b>	<b><u>1,318,712</u></b>	<b><u>370,120</u></b>

The accompanying notes are an integral part of this statement.

**City of West Richland**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2023**

		<u>Custodial</u>
308	Beginning Cash and Investments	10,496
388 & 588	Net Adjustments	-
310-390	Additions	148,466
510-590	Deductions	<u>156,497</u>
	Net Increase (Decrease) in Cash and Investments:	(8,031)
508	Ending Cash and Investments	2,465

*The accompanying notes are an integral part of this statement.*

**City of West Richland**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**Note 1 – Summary of Significant Accounting Policies**

The City of West Richland was incorporated on June 17, 1955 and operates under the laws of the state of Washington applicable to a code city with Mayor-Council Form of Government. The city is a general-purpose local government and provides public safety, community development, street improvements, parks, and recreation as well as general administrative services. In addition, the City owns and operates water/sewer, irrigation, and storm water utilities. The City provides solid waste services to its citizens by contracting with a private solid waste services company. Further, the City provides library services to its citizens through a contract with the Mid-Columbia Library District.

The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor’s Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from Generally Accepted Accounting Principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements (see Note 6 – Joint Ventures, Component Unit(s) and Related Parties).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

**A. Fund Accounting**

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. The government’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, 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 (Fund 001):

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. The funds below are sub-funds of the General Fund 001 and have been aggregated and reported within the General Fund 001. All Interfund transfers between these funds have been eliminated.



- 002 – Cumulative Reserve Fund
- 003 – Real Estate Management and Conservation Fund
- 004 – Facilities Reserve Fund
- 005 – Performance/Maintenance Bonds and Deposits Fund
- 006 – Coronavirus Local Fiscal Recovery Fund

Special Revenue Funds (Funds in the 100 series):

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

The City has the following Special Revenue Funds:

<b>FUND</b>	<b>PURPOSE</b>	<b>REVENUES AND RESOURCES REPORTED</b>
Streets - 101	Street Maintenance and Operations	Motor Vehicle Fuel Taxes and City Utility Taxes
Park Impact - 104	Park Development Activities	Park Impact Fees
Criminal Justice - 105	Criminal Justice	Criminal Justice Sales Taxes and State Shared Revenues
Tourism Promotion -106	Tourism Promotion	Hotel Motel Tax
Library Services - 121	Operation of City Library	Property Taxes (Voted)

Debt Service Funds (Funds in the 200 series):

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

Capital Projects Funds (Funds in the 300 series):

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

Proprietary Fund Types:

Enterprise Funds (Funds in the 400 series):

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

The City has several Water/Sewer utility management funds, which are sub-funds of the Water/Sewer Utility Fund 401 and have been aggregated and reported within the Water/Sewer Utility Fund 401. All interfund transfers between these funds have been eliminated. The funds, which were aggregated and reported within the 401 Fund, are:

- 441 – Water System Development Fund

- 442 – Sewer System Development Fund
- 451 – Water Line Development Fund
- 452 – Sewer Line Development Fund

#### 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 (Funds in the 600 series):

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

#### C. Cash and Investments

See Note 3 – Deposits and Investments

#### D. Capital Assets

Capital assets are long-lived assets such as land, buildings, improvements other than buildings, artwork, and historic collections with an initial individual cost of more than \$4,999 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased. There is no capitalization of capital assets, nor allocation of depreciation expense.

#### E. Compensated Absences

For non-bargaining employees, vacation leave may be accumulated to any amount throughout the year, but only a maximum of four hundred hours can be carried over at the end of the year and is payable upon separation or retirement.

Non-bargaining exempt employees may cash-out up to a maximum of 40 vacation hours per calendar year if they have been employed with the City 36 months (3 years) or longer. Exempt employees must have a balance of 80 vacation hours or more after the cash-out, and the employee used a minimum of 40 hours of vacation during the previous 18 months.

Non-bargaining exempt employees may cash-out up to a maximum of 80 vacation hours per calendar year if they have been employed with the City 72 months (6 years) or longer. Exempt employees must have a balance of 80 vacation hours after the cash-out, and the employee used a minimum of 40 hours of vacation in the previous 18 months.

Hourly employees may cash-out up to a maximum of 40 hours of vacation time per calendar year if they have been employed with the City for 60 months (5 years) or longer. Hourly

employees must have a balance of 160 vacation hours after the cash-out, and the employee used a minimum of 40 hours of vacation during the previous 18 months.

Hourly employees may cash-out up to a maximum of 80 hours of vacation time per calendar year if they have been employed with the City for 120 months (10 years) or longer. Hourly employees must have a balance of 160 vacation hours after the cash-out, and the employee used a minimum of 40 hours of vacation during the previous 18 months.

For non-bargaining employees, the maximum number of unused sick hours which may be carried over from one calendar year to the next is 960.

Upon non-disciplinary separation or retirement, the City will cash out up to \$4,000 of the employee's accrued and unused sick leave for those employees with 6-10 years of service. The total amount cashed out increases to \$8,000 for employees with 11-20 years of service with non-disciplinary separation or retirement. Employees that have provided 21+ years of service will be eligible to receive up to \$10,000 upon non-disciplinary separation or retirement.

For the West Richland Police Association bargaining unit, Paid Time Off (PTO) leave may accumulate up to 1,500 hours during the calendar year with a maximum of 1,200 hours carried over annually. Upon non-disciplinary separation of employment with adequate notice given, employees shall receive and be paid a sum equal to fifty percent of accrued and unused PTO leave hours up to a maximum cash out of 600 hours.

Payments are recognized as expenditures when paid. The accompanying Schedule of Liabilities (09) provides the activity on the City's compensated absences for the fiscal year through December 31, 2023.

**F. Long-Term Debt**

See Note 8 – Long-term Debt (Formerly 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 Council. When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$18,230,304.

AMOUNT RESTRICTED	AMOUNT COMMITTED	FUND	TYPE OF RESTRICTION	USE
291,805	-	001	External - RCW	Refundable Deposits/ARPA Funds
1,250,901	-	104	External - RCW	Park Development Activities
1,161,212	-	105	External - RCW	Criminal Justice Activities
33,829	-	106	External - RCW	Tourism Promotion

-	331,435	121	Internal - WR Voters	Library Services
-	92,573	207	Internal - WR Voters	Police Facility Debt Service
2,325,415	-	301	External - RCW	Capital Improvements
2,983,179	-	302	External - RCW	Capital Improvements
114,142	-	315	Contractual Obligation	Police Facility
10,069,821	-	401	External - RCW	Water and Sewer Development Activities

**Note 2 – Budget Compliance**

The City adopts biennial appropriated budgets for governmental, special revenue, capital improvements and proprietary funds. These budgets are:

1. Are adopted on the same basis of accounting as used for financial reporting,
2. Are appropriated at the fund level and constitute the legal authority for expenditures at that level,
3. Do not include transfers between funds where funds are presented together,
4. Allow for budgeted amounts to be transferred between departments within any fund/object class so long as the total expenditures of the fund are not altered,
5. Require any revisions that alter the total expenditures of the fund or that affect the number of authorized employee positions, salary ranges, hours or other conditions of employment be approved by the City Council (See Budget Amendments for a discussion of the significant amendments which occurred through December 31, 2023),
6. Lapse at the fiscal year end of the biennium for which the budget was passed.

Budget Process:

- The Finance Director provides the Council with information on revenue estimates in the current budget - *continuous*.
- Request to all department heads to prepare detailed estimates of revenues and expenditures for the next fiscal biennium – *April of the budget year*.
- Estimates are to be filed with the Finance Director for compilation – *Early July of the budget year*.
- Estimates presented to Mayor for review and revision – *August of the budget year*.
- The City Council is provided with the proposed preliminary budget showing expenditures requested by each department – *September of the budget year*.
- The Mayor’s preliminary budget is prepared and made available to the public – *October of the budget year*.
- Public hearing occurs on revenue sources and setting property tax levy – *Early November of the budget year*.

- Final hearing on preliminary budget and adoption of final budget – *Mid November of the budget year.*

Presentation of Budgeted and Actual Expenditures:

The City has several sub-funds of the General Fund 001 and have been aggregated and reported within the General Fund 001. All interfund transactions between these funds have been eliminated. The funds which are aggregated and reported within General Fund 001 are:

- 002 – Cumulative Reserve Fund
- 003 – Real Estate Management Conservation Fund
- 004 – Facilities Reserve Fund
- 005 – Performance/Maintenance Bonds and Deposits Fund
- 006 – Coronavirus Local Fiscal Recovery Fund

The City has several water/sewer utility management funds, which are sub-funds of the Water/Sewer Utility Fund 401 and have been aggregated and reported with the Water/Sewer Utility Fund 401. All interfund transactions between these funds have been eliminated. The funds which were aggregated and reported within Fund 401 are:

- 441 – Water System Development Fund
- 442 – Sewer System Development Fund
- 451 – Water Line Development Fund
- 452 – Sewer Line Development Fund

Budget Amendments:

The following details budget amendments that occurred in 2023:

- Council appropriated an additional \$54,005 in the Water/Sewer Utility Fund for taxes due to the state for a large lump sum payment for water system development fees received in January 2023.
- Council appropriated an additional \$61,845 in the Water/Sewer Utility Fund for taxes due to the state for a large lump sum payment for sewer system development fees received in January 2023.
- In the Water/Sewer Utility Fund, Council appropriated an additional \$62,700 for reimbursement for water system development fees for a developer.
- Council appropriated an additional \$600,000 for SR224 water infrastructure improvements within the Water/Sewer Utility Fund.
- In the Water/Sewer Utility Fund, Council appropriated an additional \$62,700 for reimbursement for sewer system development fees for a developer.
- Council appropriated an additional \$50,000 for the Everett Street Pressure Sewer Main project in the Water/Sewer Utility Fund.
- In the General Fund, Council appropriated an additional \$123,200 for professional services for code enforcement assistance, legal service contract updates and modifications to the IT room.
- Council appropriated an additional \$200,000 transfer from the General Fund to the Streets Fund for modifying streetlights for the ROAM retrofit project.

- In the Street Fund, Council appropriated an additional \$200,000 for operating rentals/leases, repairs/maintenance and equipment/machinery.
- Council appropriated \$1,000,000 for an interfund loan to the Transportation Improvement Program Fund from the Water/Sewer Utility Fund, as well as \$6,000 for the loan interest.
- In the Water/Sewer Utility Fund, Council appropriated \$1,000,000 for the interfund loan with the Transportation Improvement Program Fund.
- Appropriations for the General Fund were reduced by \$60,000 for the Racetrack Well Modification project.
- An additional \$60,000 was appropriated by Council to transfer to the Street Fund from the General Fund for the completion of the ROAM Streetlight Retrofit Project.
- Council appropriated an additional \$60,000 for the purchase of streetlight nodes within the Street Fund.
- In the Water/Sewer Utility Fund, Council appropriated an additional \$354,000 for the Watermain Replacement project due to increased supply costs.
- An additional \$65,620 was appropriated by Council in the Criminal Justice Fund for professional services.
- In the CERB Cooperative Way Fund, appropriations were reduced by \$612,858 due to a newly established debt service fund.
- In the Water/Sewer Utility Fund, Council appropriated \$550,00 for repairs due to the 38<sup>th</sup> Avenue watermain break, as well as \$108,730 for an indirect cost allocation true-up and PWTF loan payment/interest of \$109,368 for Well #2.
- Appropriations approved by Council increased within the Solid Waste Utility Fund by \$726,629. The increases included professional services, communications, insurance and taxes and assessments.
- In the Water/Sewer Utility Fund, Council appropriated an additional \$120,800 for professional services and external taxes and assessments.

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

<b>FUND</b>	<b>FINAL 2023/2024 APPROPRIATION</b>	<b>ACTUAL 2023 EXPENDITURES</b>	<b>VARIANCE (UNDER)/OVER</b>
<b>General Fund:</b>			
001 General (2)	27,259,830	10,502,303	(16,757,527)
<b>Special Revenue Funds:</b>			
101 Street	2,264,001	950,899	(1,313,102)
104 Park Impact	200,213	21,001	(179,212)
105 Criminal Justice	2,572,456	974,212	(1,598,244)
106 Tourism Promotion Fund	-	-	-
121 Library Services	1,412,769	570,670	(842,099)
<b>Capital Improvement Funds:</b>			
301 REET I (1) - Capital Improv	25,132,843	728,555	(24,404,288)
302 REET II (1) - Street Overlay	1,192,306	288,840	(903,466)

315 Police Facility	555,256	373,262	(181,994)
321 CERB Cooperative Way	1,222,064	696,532	(525,532)
355 Traffic Improvement Program	5,617,359	2,873,717	(2,743,642)
<b>Proprietary Funds:</b>			
401 Water/Sewer Utility (2)	35,566,758	13,231,367	(22,335,391)
402 Irrigation Utility	224,394	69,620	(154,774)
404 Stormwater Utility	1,836,216	921,690	(914,526)
405 Solid Waste Utility	5,026,165	2,439,908	(2,586,257)
	<b>110,082,630</b>	<b>34,642,576</b>	<b>(75,440,054)</b>
(1) REET - Real Estate Excise Tax			
(2) Includes management funds with appropriate eliminations			

**Note 3 – Deposits and Investments**

Investments are reported at original cost. Deposits and investments by type ending December 31, 2023, are as follows:

TYPE OF DEPOSIT OR INVESTMENT	WEST RICHLAND'S OWN DEPOSITS AND INVESTMENTS	DEPOSITS AND INVESTMENTS HELD BY WEST RICHLAND IN AN AGENT CAPACITY (1)	TOTAL
Bank Deposits (2)	\$ 2,058,946	\$ 3,965	\$ 2,062,912
Local Government Investment Pool	\$ 34,901,772		\$ 34,901,772
U.S. Government Agencies; Securities	\$ 6,694,853		\$ 6,694,853
			\$
<b>Total Deposits and Investments</b>	<b>\$ 43,653,572</b>	<b>\$ 3,965</b>	<b>43,659,537</b>

(1) Investments held for other local governments, individuals, or private organizations.  
(2) Cash on hand reported within bank deposits in the amount of \$1,500.

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. The City has invested in instruments which are in accordance with State law and the City's investment policy.

U.S. Government Securities

A portion of the City's investments are invested in U.S. Government Agencies' securities. These are stated at original cost. For those securities which are directly purchased by a fund(s), interest earnings are credited to the fund(s). For those which were purchased using pooled cash resources, the interest is prorated back to each fund based on the previous month's ending cash balance.

### 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. Interest earned on investments in the LGIP are prorated back to each fund based on the previous month's ending cash balances.

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](http://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 4 – Environmental and Certain Asset Retirement Liabilities**

The City has a sewer lagoon that will need remediation upon asset retirement. Due to inability to estimate the retirement date, the City cannot estimate the related liability.

### **Note 5 – Interfund Loans**

The following table displays interfund loan activity during 2023:

<b>BORROWING FUND</b>	<b>LENDING FUND</b>	<b>BALANCE 01/01/2023</b>	<b>NEW LOANS</b>	<b>REPAYMENTS</b>	<b>BALANCE 12/31/2023</b>
321 CERB Cooperative Way	401 Water/Sewer	\$ 537,937	\$ 49,723	\$ 587,659	\$ -
355 Transportation Improvement Program	401 Water/Sewer	\$ -	\$ 32,962	\$ -	\$ 32,962
		<b>\$ 537,937</b>	<b>\$ 82,685</b>	<b>\$ 587,659</b>	<b>\$ 32,962</b>

### **Note 6 – Joint Ventures, Component Unit(s), and Related Parties**

The City participated in the following joint ventures:



### **Benton County Emergency Services (BCES)**

BCES was formed January 1, 1997 through an interlocal agreement entered into by the Cities of Richland, Kennewick, West Richland, Benton City and Prosser as well as Benton County. A second amended and restated interlocal agreement was made and entered into by and between the following entities: Benton County, Franklin County, the Cities of Kennewick, Richland, West Richland, Prosser, Benton City, and Pasco, Benton County Fire Protection Districts, and the Public Utility District #1 of Benton County. An Executive Board oversees the operations of BCES and consists of the City Managers (or designee) from the Cities of Kennewick, Pasco and Richland, City Administrators from Prosser and West Richland, a Council member from Benton City, a Benton County Commissioner, a Franklin County Commissioner, and a single representative collectively representing Benton County Fire Protection Districts. The City of Richland serves as the operating jurisdiction providing all the necessary administrative support services and reporting for BCES. The total amount paid by BCES in 2023 for these services was \$52,281. No distributions of income to the City are expected since charges are assessed only to recover anticipated expenses.

### **Benton County Emergency Management (BCEM)**

BCEM provides disaster response planning, exercise coordination, response assistance and disaster recovery for Benton County and its political subdivisions per RCW 38.52. Four grant programs fund BCEM: Radiological Emergency Preparedness, DOE Emergency Preparedness, State Homeland Security Program and Emergency Management Program. The six (6) participating jurisdictions of the Cities of Richland, Kennewick, West Richland, Benton City and Prosser as well as Benton County participate in the grant programs through the Interlocal Agreement for Emergency Management. Financial position is allocated based on equal shares of a predetermined basic charge and a variable charge calculated using population percentages and assessed valuations. The City of West Richland's equity interest in BCEM as of December 31, 2023, was \$31,436 which is reported as an asset in the government-wide Statement of Net Assets. The change in equity is reflected under Public Safety in the government-wide Statement of Activities. Upon dissolution of the Interlocal Agreement, the net assets will be shared equitably among the participants.

Complete and separate financial statements for all operations of Benton County Emergency Services may be obtained at the City of Richland, 625 Swift Blvd, Richland, Washington.

### **Bi-County Police Information Network (BI-PIN)**

The Bi-County Police Information Network (BI-PIN) was established November 24, 1982, when an Interlocal Agreement was entered into by eight participating municipal corporations: the cities of Kennewick, Pasco, Richland, Connell, West Richland, and Prosser, and Benton and Franklin Counties. BI-PIN was established to assist the participating police and sheriff's departments in the deterrence and solution of criminal incidents. BI-PIN is served by an Executive Committee composed of the City Manager of each of the cities and a member from each of the Boards of County Commissioners of Benton and Franklin Counties. A liaison from the Bi-County Chiefs and Sheriffs is an ex officio, non-voting member.

The allocation of financial participation among the participating jurisdictions is based upon the approved budget for that year and is billed quarterly in advance to each agency. On dissolution of the Interlocal Agreement, the net position will be shared based upon participant contribution.

Effective January 1, 1992, the City of Kennewick assumed responsibility for operation of the BI-PIN system. As the operating jurisdiction, Kennewick provides all necessary support services for the operation of BI-PIN such as accounting, legal services, and risk management and information systems. The total amount paid by BI-PIN in 2023 for these transactions was \$53,706.

BI-PIN is currently in the process of implementing a new RMS/JMS system as well as upgrading all supporting infrastructure. The City of West Richland's equity interest in BI-PIN was \$85,946 on December 31, 2023, which is reported as an investment in joint ventures in the government-wide statement of net position. The change in equity is reflected in the government-wide statement of activities under Public Safety. The City does not anticipate any income distributions from BI-PIN since charges are assessed only to recover anticipated expenses.

Complete separate financial statements for BI-PIN may be obtained at the City of Kennewick, 210 W. 6th Ave., Kennewick, Washington, 99336.

#### **Metropolitan Controlled Substance Enforcement Group Drug Forfeiture Fund**

The Metropolitan Controlled Substance Enforcement Group (Metro) was established prior to 1987, when an Interlocal Agreement was entered into by six participating municipal corporations, the Cities of Kennewick, Pasco, Richland, and West Richland, and Benton and Franklin Counties. Metro was established to account for the proceeds of forfeitures, federal grants, and court ordered contributions, and to facilitate the disbursement of those proceeds for the purpose of drug enforcement and investigations. Metro is served by an Executive Committee composed of the City Manager or designee of each of the cities and a member from each of the Boards of County Commissioners of Benton and Franklin Counties. In addition, a Governing Board consisting of the Chiefs of Police from the cities and the Sheriffs from the counties administers daily activity.

Effective July 1, 2009, the City of Kennewick assumed responsibility for the operation of Metro. As the Operating Jurisdiction, Kennewick provides accounting services for the operation of Metro.

The City of West Richland's equity interest in Metro was \$67,166 on June 30, 2023. The City does not anticipate any income distribution from Metro.

Complete and separate financial statements for Metro may be obtained by writing to:

City of Kennewick  
210 West Sixth Avenue  
Kennewick, WA 99336

#### **Note 7 – Leases (Lessees)**

During fiscal year 2022, the City adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

The City leases two copiers for the Police Department from Wells Fargo Financial for \$324 per month under a 5-year lease agreement. The lease for both copiers began July 27, 2022 and will end July 31, 2027. These are not intended to be purchased at the end of the lease.

The City leases three copiers and a plotter for the Municipal Services Facility and Maintenance Shop from Wells Fargo Financial for \$830 per month under 5-year lease agreements. The lease for the three copiers began December 14, 2022 and will end November 30, 2027. The lease for the plotter began September 21, 2022 and will end November 30, 2027. These are not intended to be purchased at the end of the lease.

The City leases two postage machines and a mail-stuffer for the Municipal Services Facility and the Police Station from Mail Finance Inc. for \$603 per month under 5-year lease agreements. The lease began June 30, 2020 and will end June 30, 2025. These are not intended to be purchased at the end of the lease.

The City leases a 2021 mower from John Deere Financial for \$2,280 per year under 3-year lease agreement. The lease began April 22, 2021 and will end April 22, 2024. This mower is intended to be purchased at the end of the lease.

The City leases a 2021 mower from John Deere Financial for \$312 per month under 3-year lease agreement. The lease began April 11, 2022 and will end April 11, 2025. This mower is intended to be purchased at the end of the lease.

The City leases a 2022 mower from John Deere Financial for \$3,990 per year under 3-year lease agreement. The lease began February 9, 2023 and will end February 9, 2026. This mower is intended to be purchased at the end of the lease.

The City leases a 2022 mower from John Deere Financial for \$3,990 per year under 3-year lease agreement. The lease began February 3, 2023 and will end February 3, 2026. This mower is intended to be purchased at the end of the lease.

The City leases six 2023 Ford Interceptor SUVs from Financial Consultants International Inc. based on a monthly amortization schedule under 5-year lease agreement. The lease began March 1, 2024, and will end February 28, 2029. These vehicles are not intended to be purchased at the end of the lease.

The total amount paid for leases in 2023 was \$35,092. As of December 31, 2023, the future minimum lease payments are as follows:

<b>Year Ended December 31</b>	<b>Total</b>
2024	98,839
2025	109,778
2026	102,718
2027	105,749

2028	100,171
2029	75,731
<b>Total</b>	<b>592,986</b>

**Note 8 – Long-Term Debt**

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the City and summarizes the City’s debt transactions for the year ending December 31, 2023. The debt service requirements for general obligation bonds, revenue bonds and notes are as follows:

<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2024	1,576,334	619,543	2,206,950
2025	1,217,803	578,980	1,807,857
2026	983,455	557,579	1,552,107
2027	1,011,543	537,909	1,560,526
2028	974,705	518,266	1,504,044
2029-2033	4,967,748	2,281,158	7,304,274
2034-2038	4,130,929	1,722,404	5,908,701
2039-2043	3,121,876	1,234,418	4,389,515
2044-2048	4,310,000	542,000	4,852,000
<b>TOTAL</b>	<b>22,294,394</b>	<b>8,592,256</b>	<b>31,085,973</b>

General obligation, revenue loans and notes issued include:

- a. General Obligation Bonds
- b. State of Washington Public Works Trust Fund Program
- c. State of Washington LOCAL Program
- d. Washington State Public Works Board Drinking Water State Revolving Loan Fund through the Department of Health
- e. State Revolving Loan Fund through the Department of Ecology

Within the debt table above, there are two construction projects in progress:

- a) 2019 Voted General Obligation Bond – Police Facility

On April 23, 2019, in a special election, West Richland voters approved authorizing the City to issue General Obligation Bonds in the amount of \$12,465,000 for the purpose of acquiring land, constructing, and equipping a larger police facility and providing for safety and technology improvements. The bonds are payable by annual property tax levies to be made in excess of regular property tax levies and are levied as excess property taxes. The bonds were issued as 2019A Bond for \$8,950,000 as an unlimited tax general obligation bond (tax-exempt) and 2019B Bond for \$2,525,000 unlimited tax general obligation bond (taxable). The aggregate principal amount of the bonds in the amount of \$11,475,000 are combined and reported on the amortization schedule. The City received a premium on the bonds totaling \$1,115,176. As of December 31, 2023, the GO bond

has a principal balance of \$11,220,000. The Police Department was able to relocate to the new facility at the beginning of January 2022. The project is expected to be completed in 2024.

b) 2021 Public Works Trust Fund Loan – Flat Top Community Park Well & Hazard Elimination Project (Well #2).

In November 2019 the City's Well #2, originally built in 1962, became inoperable. The well produced enough potable water to serve 1,300 of the 5,300 city homes. Attempts were made to repair the well but, were unsuccessful. October 2021, City Council authorized the Mayor to execute a Public Works Trust Fund Loan contract in the amount of \$3.3 million with the Washington State Department of Commerce. Construction of the project began in 2022 and is expected to continue through 2024. The debt repayment will be paid with utility revenues. The PWTF Loan has a principal balance of \$971,257 as of December 31, 2023.

#### Debt Reserve and Street Light Retro Fit 2015 LOCAL Loan

In 2018, the City Council approved using unanticipated carryover in the General Fund 001 and a contribution from Benton REA to pay the remaining principal and interest on the Street Light Retro Fit LOCAL loan in Street Light Retro Fit Fund 206. There is enough reserve that has been set aside through these transfers to pay all of the principal and interest for this loan. In accordance with the LOCAL program agreement however, the earliest the loan can be paid off is 10 years. As of December 31, 2023, the loan has a principal balance of \$235,000.

#### Future Indebtedness:

The City anticipates seeking the remaining loan funds for the Flat Top Community Park Well & Hazard Elimination Project (Well #2).

The City was awarded a Public Works Trust Fund loan in the amount of \$3.3 million for the Well #3 Replacement Project. The terms for this loan are 20 years at an interest rate of 1.72%. The annual debt service is proposed to come from the 441 Water System Development Fund. The loan is to be used for the construction phase of this project. Public Works is anticipating construction to begin in late 2024 to early 2025. The contract was signed on January 30, 2024.

The City of Richland applied for and was awarded a Public Works Trust Fund Loan in the amount of \$5.5 million for the Tapteal 1 Booster Pump Station Upgrade Project. The terms for this loan are 20 years at an interest rate of 1.72%. Per the Interlocal Agreement between the City of Richland and City of West Richland, West Richland's payment obligation is 20% of the loan costs borne by Richland totaling \$1,100,000. The City of Richland signed the loan contract on March 19, 2024.

#### Significant Debt Agreement Terms

The following financial instruments contain debt agreement terms with finance related consequences:

DEBT	CLAUSE
<p>Limited Tax General Obligation Bond, 2014</p>	<p><u>Failure to Pay Bonds:</u>            If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on the Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner. The Bonds are not subject to acceleration under any circumstances.</p>
<p>Unlimited Tax General Obligation Bonds, 2019A and 2019B</p>	<p><u>Failure to Pay Bonds:</u>            If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City will be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.</p>
<p>SRF Loan – Biosolids Processing Facility</p>	<p>Failure to repay the Loan Amount plus interest within the time specified in Ecology’s notice to make such repayment shall incur Late Charges and shall be treated as a Loan Default.</p> <p>Late Charges:            If any amount of the Final Loan Amount or any other amount owed to Ecology pursuant to this agreement remains unpaid after it becomes due and payable, Ecology may assess a late charge. The late charge shall be one percent per month on the past due amount starting on the date the debt becomes past due and until it is paid in full.</p>
<p>Drinking Water SRF Loan – Brotherhood Reservoir</p>	<p><u>Default in Repayment:</u>            Loan repayments shall be made in accordance with Section 1.12 of this Contract. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a monthly penalty beginning on the first (1st) day past the due date. The penalty will be one percent (1%) per month or</p>

	<p>twelve percent (12%) per annum of the delinquent payment amount. These same penalty terms shall apply if the repayment of the loan funds determined to be ineligible costs are not repaid with thirty (30) days as provided for in Section 1.9.</p> <p>The Contractor acknowledges and agrees to the Board’s right, upon delinquency in the payment of any annual installment, to notify any other entity, creditors, or potential creditors of the Contractor of such delinquency. Contractor shall be responsible for all legal fees incurred by the Board in any action undertaken to enforce its rights under this section.</p>
<p>Drinking Water SRF Loan – Well #11</p>	<p><u>Default in Repayment:</u></p> <p>Loan repayments shall be made in accordance with Section 1.12 of this Contract. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a monthly penalty beginning on the first (1st) day past the due date. The penalty will be one percent (1%) per month or twelve percent (12%) per annum of the delinquent payment amount. These same penalty terms shall apply if the repayment of the loan funds determined to be ineligible costs are not repaid with thirty (30) days as provided for in Section 1.9.</p> <p>The Contractor acknowledges and agrees to the Board’s right, upon delinquency in the payment of any annual installment, to notify any other entity, creditors, or potential creditors of the Contractor of such delinquency. Contractor shall be responsible for all legal fees incurred by the Board in any action undertaken to enforce its rights under this section.</p>

<p>Public Works Trust Fund – Keene Road Phase 2 &amp; 3 PW-04-691-077</p>	<p><u>Default in Repayment:</u> Loan repayments shall be made on the loan in accordance with Section 4.06 of this agreement. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a daily penalty beginning on the thirty-first (31) day past the due date. The penalty will be assessed on the entire payment amount. The penalty will be twelve percent (12%) per annum calculated on a 360-day year for the delinquent amount.</p> <p>The same penalty terms shall apply to delinquent repayment of funds paid in excess of eligible costs as provided for in Section 4.03.</p> <p>The local government acknowledges and agrees to the board’s right, upon delinquency in the payment of any annual installment, to notify other entity, creditors, or potential creditors of the local government of such delinquency including, without limitation, the state government and the United States of America or its agencies, credit rating agencies, and the municipal finance market.</p> <p>The local government shall pay the costs and reasonable legal fees incurred by the board in any action undertaken to enforce its rights under this section.</p>
<p>Public Works Trust Fund – Michaels Water Right System Improvements PW-04-691-078</p>	<p><u>Default in Repayment:</u> Loan repayments shall be made on the loan in accordance with Section 4.06 of this agreement. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a daily penalty beginning on the thirty-first (31) day past the due date. The penalty will be assessed on the entire payment amount. The penalty will be twelve percent (12%) per annum calculated on a 360-day year for the delinquent amount.</p> <p>The same penalty terms shall apply to delinquent repayment of funds paid in excess of eligible costs as provided for in Section 4.03.</p> <p>The local government acknowledges and agrees to the board’s right, upon delinquency in the payment of any annual installment, to notify other entity, creditors, or potential creditors of the local government of such delinquency including, without limitation, the state government and the United States of America or its agencies, credit rating agencies, and the municipal finance market. The</p>



	<p>local government shall pay the costs and reasonable legal fees incurred by the board in any action undertaken to enforce its rights under this section.</p>
<p>Public Works Trust Fund – North Wastewater Treatment Plant Expansion PW-05-691-062</p>	<p><u>Default in Repayment:</u> Loan repayments shall be made on the loan in accordance with Section 4.06 of this agreement. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a daily penalty beginning on the thirty-first (31) day past the due date. The penalty will be assessed on the entire payment amount. The penalty will be twelve percent (12%) per annum calculated on a 360-day year for the delinquent amount.</p> <p>The same penalty terms shall apply to delinquent repayment of funds paid in excess of eligible costs as provided for in Section 4.03.</p> <p>The local government acknowledges and agrees to the board’s right, upon delinquency in the payment of any annual installment, to notify other entity, creditors, or potential creditors of the local government of such delinquency including, without limitation, the state government and the United States of America or its agencies, credit rating agencies, and the municipal finance market. The local government shall pay the costs and reasonable legal fees incurred by the board in any action undertaken to enforce its rights under this section.</p>
<p>Public Works Trust Fund – North WWTP Expansion Project PW-04-691-PRE-111</p>	<p><u>Default in Repayment:</u> Loan repayments shall be made to the Department of Community, Trade and Economic Development, or its successor, in accordance with Section 4.06 of this agreement. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a daily penalty beginning on the thirty-first (31) day past the due date. The penalty will be assessed on the entire payment amount. The penalty will be twelve percent (12%) per annum calculated on a 360-day year for the delinquent amount.</p> <p>The local government acknowledges and agrees to the board’s right, upon delinquency in the payment of any annual installment, to notify other entity, creditors, or potential creditors of the local government of such delinquency including, without limitation, the state government and the United States of America or its agencies, credit rating agencies, and the municipal finance market.</p>

	<p>The same penalty terms shall apply to delinquent repayment of funds paid in excess of eligible costs as provided for in Section 4.03. The local government shall pay the costs and reasonable legal fees incurred by the board in any action undertaken to enforce its rights under this section.</p>
<p>Public Works Board Construction Loan Program – Industrial Water Treatment Facility PC12-951-055</p>	<p><u>Default in Repayment:</u> Loan repayments shall be made on the loan in accordance with Section 1.16 of this Contract. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a monthly penalty beginning on the first (1st) day past the due date. The penalty will be assessed on the entire payment amount. The penalty will be one percent (1%) per month or twelve percent (12%) per annum. The same penalty terms shall apply at project completion if the repayment of loan funds in excess of eligible costs are not repaid at the time of the Project Completion</p> <p>Amendment is submitted, as provided for in Section 1.11. The Contractor acknowledges and agrees to the Board’s right, upon delinquency in the payment of any annual installment, to notify any other entity, creditors, or potential creditors of the Contractor of such delinquency.</p> <p>The Contractor shall be responsible for all legal fees incurred by the Board in any action undertaken to enforce its rights under this section.</p>
<p>Public Works Board Construction Loan Program – Inter-Tie Booster Pump Station PC12-951-005</p>	<p><u>Default in Repayment:</u> Loan repayments shall be made on the loan in accordance with Section 1.16 of this Contract. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a monthly penalty beginning on the first (1st) day past the due date. The penalty will be assessed on the entire payment amount. The penalty will be one percent (1%) per month or twelve percent (12%) per annum. The same penalty terms shall apply at project completion if the repayment of loan funds in excess of eligible costs are not repaid at the time of the Project Completion Amendment is submitted, as provided for in Section 1.11.</p> <p>The Contractor acknowledges and agrees to the Board’s right, upon delinquency in the payment of any annual installment, to</p>

	<p>notify any other entity, creditors, or potential creditors of the Contractor of such delinquency. The Contractor shall be responsible for all legal fees incurred by the Board in any action undertaken to enforce its rights under this section.</p>
<p>Community Economic Revitalization Board – Cooperative Way Project S21-790A0-224</p>	<p><u>Termination for Cause</u> In the event THE BOARD determines the Contractor has failed to comply with the conditions of this contract in a timely manner, THE BOARD has the right to suspend or terminate this contract. Before suspending or terminating the contract, THE BOARD shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.</p> <p>In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.</p>
<p>Public Works Board Construction Loan Program – Flat Top Community Park Well &amp; Hazard Elimination PC22-96103-053</p>	<p><u>Default in Repayment:</u> Loan repayments shall be made on the loan in accordance with Section 1.18 of this Contract. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a monthly penalty beginning on the first (1st) day past the due date. The penalty will be assessed on the entire payment amount. The penalty will be one percent (1%) per month or twelve percent (12%) per annum. The same penalty terms shall apply at project completion if the repayment of loan funds in excess of eligible costs are not repaid at the time of the Project Completion Amendment is submitted, as provided for in Section 1.13.</p> <p>The Contractor acknowledges and agrees to the BOARD’s right, upon delinquency in the payment of any annual installment, to notify any other entity, creditors, or potential creditors of the Contractor of such delinquency.</p> <p>The Contractor shall be responsible for all legal fees incurred by the BOARD in any action undertaken to enforce its rights under this section.</p>
<p>LOCAL – Street Light Retrofit</p>	<p>Debt agreement does not state finance related consequences for any default or termination events.</p>

LOCAL – Sewer Vactor Truck	Debt agreement does not state finance related consequences for any default or termination events.
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**Note 9 – Other Disclosures**

Special Items

*Belmont Lot 5 Land Sale – Benton Conservation District*

In December 2023, the City of West Richland sold Belmont Lot #5, Short Plat 3742 to Benton Conservation District and/or Assigns in the amount of \$261,360. The 1-acre lot is located on the back corner of the lot on the corner/curve on Belmont Boulevard. This will provide a commercial office building and headquarters for the Benton Conservation District in the Belmont Business District.

Contingencies & Litigation

There are no known pending claims or litigation that will materially impact the City’s financial stability based upon current evaluation of lawsuits by legal counsel. In the opinion of management, the City’s insurance policies are adequate to pay all known or pending claims. The City’s legal counsel indicates that the City’s exposure does not exceed the amount of retention. The City has no known new or pending claims or lawsuits at this time.

Subsequent Events

*Land Parcel Buyback Purchase – Benton Rural Electric Association (BREA)*

In 2021, the City of West Richland sold property to Benton Rural Electric Association for their new headquarters building and operations facilities. In September 2023, a potential Well #12 site meeting all the criteria was identified. The proposed site was located on the southeast corner of the parcel of land Benton REA purchased from the City in 2021. On December 14, 2023, Benton REA notified the City that the southeast corner of their parcel, approximately 1.32 acres, would be available for the City to purchase for a potable well at the same price the City sold the property to Benton REA. The City is responsible for completing the exempt short plat survey and covering all closing costs. The purchase price is \$72,047 with estimated closing costs totaling \$4,000 bringing the total buyback cost to approximately \$76,047.

*Public Works Trust Fund Loan – Well #3 Replacement Project*

The City was awarded a Public Works Trust Fund loan in the amount of \$3.3 million for the Well #3 Replacement Project. The terms for this loan are 20 years at an interest rate of 1.72%. The annual debt service is proposed to come from the 441 Water System Development Fund. The loan is to be used for the construction phase of this project. Public Works is anticipating construction to begin in late 2024 to early 2025. The contract was signed on January 30, 2024.

*Interlocal Agreement with City of Richland*

*Public Works Trust Fund Loan - Tapteal 1 Booster Pump Station Upgrade Project*

The City of Richland applied for and was awarded a Public Works Trust Fund Loan in the amount of \$5.5 million for the Tapteal 1 Booster Pump Station Upgrade Project. The terms for this loan are 20 years at an interest rate of 1.72%. Per the Interlocal Agreement between the City of Richland and City of West Richland, West Richland’s payment obligation is 20% of the loan costs borne by Richland totaling \$1,100,000. The City of Richland signed the loan contract on March 19, 2024.

**Construction Commitment**

The City has active construction projects as of December 31, 2023. At year-end the City’s commitments with contractors are as follows:

PROJECT	SPENT TO DATE	REMAINING COMMITMENT	FUND SOURCE(S)
Well No. 10 ASR	\$ 581,172	\$ 135,205	Water/Sewer Utility and Department of Ecology Grant
SR 224 Red Mountain Vicinity Improvements	\$ 471,086	\$ 576,987	Washington State Department of Transportation
Well No. 2 (Flat Top)	\$1,144,783	\$ 406,770	Public Works Trust Fund, Water Utility
Well No. 3	\$ 797,393	\$ 262,790	Water Utility
SR 224 Van Giesen Improvements Phase 2 (Water/Sewer)	1,713,099	\$ 82,599	Benton County Rural County Capital Funds and Water/Sewer Utility
Bombing Range Road/Keene Road Intersection Modifications	\$3,184,517	\$ 22,617	STP-UL Grant, Washington State Department of Transportation and Transportation Impact Fees
N 62nd Avenue Overlay and Watermain Replacement	\$ 863,082	\$ 286,975	Transportation Improvement Board, Water Utility and Streets
2023 Street Striping Project	\$ 44,515	\$ 2,343	Real Estate Excise Tax II and Streets
Everett Street Pressure Sewer	\$ 85,274	\$ 4,112	Sewer Utility
Police Facility Pole Building	\$ -	\$ 96,000.00	Bond Proceeds
	<b>\$ 8,884,921</b>	<b>\$ 1,876,396</b>	

**Note 10 – Other Postemployment Benefits**

The LEOFF I Retiree Medical Plan is a closed, single employer defined benefit OPEB plan administered by the City of West Richland as required by RCW 41.26.150. The plan pays for 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2023, the plan had 2 members, who are both retired. As of December 31, 2023, the City’s total OPEB liability was \$122,425 as calculated using the alternative measurement method per the Office of the Washington State Actuary tool. For the year ended December 31, 2023, the City paid \$23,429 in benefits.

**Note 11 – Pension Plans**

**A. State Sponsored Pension Plans**

Substantially all City’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 such as Public Employees’ Retirement System (PERS 1, 2, 3) and Law Enforcement Officers’ and Fire Fighters’ Retirement System (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 Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov). At June 30, 2023 the City’s proportionate share of the collective net pension liabilities (assets), was as follows:

PLAN	EMPLOYER CONTRIBUTIONS	ALLOCATION %	LIABILITY (ASSET)*
PERS 1	182,118	0.026726%	610,083
PERS 2/3	302,926	0.034454%	(1,4,12,160)
LEOFF 1	N/A	0.006288%	(186,629)
LEOFF 2	112,998	0.050062%	(1,200,786)

\*Only the net pension liabilities are reported on the Schedule of Liabilities.

LEOFF Plan 1

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

LEOFF Plan 2

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

**Note 12 – Property Tax**

The City of West Richland is required to certify their budget as well as the amount of their taxes levied on November 30th for the upcoming year with the Clerk of the Board of County Commissioners.

The levy is based on the value of all taxable real property in the County at 100% of the fair market value of the property listed as of the prior May 31st as assessed by the County Assessor. The City's regular property tax levy rate on the assessed value is limited by the Washington State Constitution and State law (RCW 84.55.010 and 0101). Special levies are approved by voters and not subject to the limitations. The City's regular levy for the year 2023 was \$1.3326937301 per \$1,000 on an assessed valuation of \$2,162,986,780 for a total regular levy of \$2,882,599.

In November 2016, West Richland voters approved a levy lid lift for library operations beginning January 1, 2017, which is included in the levy amount listed above. The levy lid lift replaced a 2.5% addition of electric, telephone and gas utility taxes beginning January 1, 2017, dedicated to library services and authorizes a permanent increase in the regular property tax levy with a maximum 2017 regular property tax increase of \$0.45 per \$1,000 of assessed value. The maximum allowable levy rate in 2017 serves as the base for subsequent levy limitations as provided by Chapter 84.55 RCW. In 2023, \$0.2998 per \$1,000 of assessed value of property tax collected is recorded in a special revenue fund for library operations.

On April 23, 2019 in a special election, West Richland voters approved a property tax levy lid lift authorizing the City to issue general obligation bonds in the amount of \$12,465,000 for the purpose of acquiring land, constructing and equipping a larger Police Facility and providing for safety and technology improvements. The bonds are payable by annual property tax levies to be made in excess of regular property tax levies and are levied as excess property taxes. The excess levy for the police facility bonds began on January 1, 2020. For year 2023, the levy was \$0.2438844725 per \$1,000 of assessed value. The 2023 excess levy amount was \$525,000 which is collected in a debt service fund for repayment of the Police Facility Bond.

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Tax bills are mailed to property owners in approximately February of the current year. The first of two equal installments is due on April 30th with the final installment due on October 31st. Penalties of 3% and 8% are assessed on June 1st and December 1<sup>st</sup> respectively on the current year delinquent taxes. In addition to the penalties, unpaid balances accrue interest of 1% of the outstanding balance beginning May 1st. Collections are remitted in accordance with RCW 84.56.230.

<b>PROPERTY TAX CALENDAR</b>	
January 1	Tax is levied and becomes an enforceable lien against the properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments are due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

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. Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

### **Note 13 – Risk Management**

#### **Washington Cities Insurance Authority**

The City of West Richland is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 169 members.

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

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

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

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$1,000,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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



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

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

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

### **Association of Washington Cities**

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

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

As of December 31, 2023, 264 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

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

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

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc.,

Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-city entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2023, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

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

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

## **Self-Insurance**

The City of West Richland is self-insured for unemployment compensation benefits. Claims are administered by the Employment Security Department. In 2023, the City paid \$31,954 in unemployment claims.

**Note 14 - Subscription Based Information Technology Arrangements (SBITA)**

During the year ended 2023, the City adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

The City makes subscription payments to PowerDMS Inc. of \$6,627 for an annual PowerPolicy Subscription. The SBITA contract is for 2 years, and the lease term ends on 8/31/24.

The City makes subscription payments to HSI Workplace Compliance Solutions of \$4,000 per year for an annual subscription renewal. The SBITA contract is for 3 years, and the lease term ends on 2/23/26.

The City makes subscription payments to MSDSONline, Inc. for an annual subscription renewal. In 2023, the City paid \$3,000. The SBITA contract is for 3 years, and the lease term ends on 11/17/26.

The City makes subscription payments to Tyler Technologies of approximately \$30,000 per quarter for annual SaaS fees. The SBITA contract is for 5 years, and the lease term ends on 3/31/24.

The City makes subscription payments to Axon Enterprises, Inc. of \$1,620 per year for a basic license bundle software. The SBITA contract is for 57 months, and the lease term ends on 6/30/25.

The City makes subscription payments to Axon Enterprises, Inc. of \$24,768 per year for camera fleet 2 unlimited. The SBITA contract is for 4 years, and the lease term ends on 12/31/25.

The City makes subscription payments to Axon Enterprises, Inc. of \$2,837 per year for body cameras. The SBITA contract is for 3 years, and the lease term ends on 6/30/26.

The City makes subscription payments to Axon Enterprises Inc. of \$30,528 per year for Axon Core + Plan. The SBITA contract is for 5 years, and the lease term ends 12/31/2025.

The City will make subscription payments to Flock Safety of \$11,164 for 2024 and \$25,000 per year after 2024 for Flock safety falcon software. The SBITA contract is for 5 years, and the lease term ends on 12/31/28.

The total amount paid for SBITAs in 2023 was \$165,579. As of December 31, 2023, the future SBITA payments are as follows:

<b>Year Ended December 31</b>	<b>Total</b>
2024	137,669
2025	92,060
2026	55,528
2027	25,000
2028	25,000
<b>Total</b>	<b>304,729</b>

**City of West Richland  
Schedule of Liabilities  
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
251.11	Public Works Operations Facility and Area Site Improvements GO Bond (2014) - Proprietary	12/1/2034	1,510,000	-	100,000	1,410,000
251.12	Police Facility GO Bond (2019)	12/1/2048	11,305,000	-	85,000	11,220,000
263.96	Street Light Retro Fit Program - WA State Treasurer LOCAL Program (2015)	6/1/2027	290,000	-	55,000	235,000
263.96	Sewer Vactor Truck - WA State Treasurer LOCAL Program (2015) General Government/Sewer System	6/1/2025	98,695	-	31,268	67,427
263.87	CERB Cooperative Way GO Loan - Department of Commerce (2021)	7/31/2032	426,518	173,482	53,703	546,297
263.87	Keene Road Phases 2 and 3 - WA State Public Works Trust Fund Loan (2004)	6/1/2024	158,332	-	79,167	79,165
<b>Total General Obligation Debt/Liabilities:</b>			<b>13,788,545</b>	<b>173,482</b>	<b>404,138</b>	<b>13,557,889</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences		549,231	1,003,354	681,205	871,380
263.84	Brotherhood Reservoir Project - Drinking Water State Revolving Fund Loan Program (2015)	10/1/2037	2,865,044	-	191,003	2,674,041
263.84	Lewis and Clark Well (Well #11) Project - Drinking Water State Revolving Fund Loan Program (2015)	10/1/2037	1,780,141	-	118,676	1,661,465
263.84	Biosolids Processing Facility Project - State Revolving Fund Loan Program (2016)	6/30/2038	1,412,270	-	36,945	1,375,325
263.88	Sewer Interceptor - WA State Public Works Trust Fund Loan (2003)	6/1/2023	94,737	-	94,737	-
263.88	Michaels Water Right System - WA State Public Works Trust Fund Loan (2004)	6/1/2024	498,081	-	249,041	249,040
263.88	North Wastewater Treatment Plant Improvements - WA State Public Works Trust Fund Loan (2004)	6/1/2024	55,017	-	27,509	27,508
263.88	North Wastewater Treatment Plant Improvements - WA State Public Works Trust Fund Loan (2005)	6/1/2025	683,423	-	227,808	455,615
263.88	Water Intertie Booster Pump Station Improvements - WA State Public Works Trust Fund Loan (2012)	6/1/2031	364,860	-	40,540	324,320

**City of West Richland  
Schedule of Liabilities  
For the Year Ended December 31, 2023**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
263.88	Industrial Process Water Treatment Facility - WA State Public Works Trust Fund Loan (2014)	6/1/2031	1,122,669	-	124,741	997,928
263.88	Well #2 Project - WA State Public Works Trust Fund Loan (2023)	6/1/2041	71,975	939,230	39,948	971,257
264.30	Pension Liabilities		717,865	-	107,782	610,083
264.40	OPEB Liabilities		135,974	-	13,549	122,425
263.52	Installment Purchase - 2021 John Deere Z930M Mower - Deere Financial (2021)	4/22/2024	2,280	2	2,282	-
263.52	Installment Purchase - 2021 John Deere Z930 ZTrak Mower - Deere Financial (2022)	4/11/2025	8,110	8	3,747	4,371
263.52	Installment Purchase - 2022 John Deere Z930 ZTrak Mower - Deere Financial (2023)	2/3/2026	-	11,971	3,990	7,981
263.52	Installment Purchase - 2022 John Deere ZTrak Mower - Deere Financial (2023)	2/9/2026	-	11,971	3,990	7,981
263.57	Leases - Police Copiers/Printers - Wells Fargo Financial (2022)	7/31/2027	17,820	-	3,888	13,932
263.57	Leases - MSF & Shop Printers/Copiers & Plotter - Wells Fargo Financial (2022)	11/30/2027	48,970	-	9,960	39,010
263.57	Leases - Postage Machine/Mail Stuffer - Quadient Leasing USA (2020)	6/30/2025	18,086	-	7,235	10,851
263.57	SBITA - PowerDMS Inc. - Annual PowerPolicy Subscription	8/31/2024	6,627	-	6,627	-
263.57	SBITA - HSI Workplace Compliance Solutions - Annual Subscription Renewal	2/23/2026	-	12,000	4,000	8,000
263.57	SBITA - MSDSonline, Inc. - Annual Subscription Fee	11/17/2026	-	9,458	3,000	6,458
263.57	SBITA - Tyler Technologies - Annual SaaS Fees	3/31/2024	151,801	-	122,727	29,074
263.57	SBITA - Axon Enterprises - Basic License Bundle Software	6/30/2025	4,860	-	1,620	3,240
263.57	SBITA - Axon Enterprises - Camera Fleet 2 Unlimited	12/31/2025	74,304	-	24,768	49,536
263.57	SBITA - Axon Enterprises - Body Cameras	6/30/2025	-	8,512	2,837	5,675
263.57	SBITA - Flock Safety	12/31/2028	-	111,164	-	111,164

**City of West Richland  
Schedule of Liabilities  
For the Year Ended December 31, 2023**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
263.57	SBITA - AXON Enterprises - Axon Care + Plan	12/31/2025	91,584	-	-	91,584
263.57	Leases - 2023 Police Vehicles - Financial Consultants International, Inc. (2024)	2/28/2029	-	508,860	-	508,860
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>10,775,729</b>	<b>2,616,530</b>	<b>2,154,155</b>	<b>11,238,104</b>
<b>Total Liabilities:</b>			<b>24,564,274</b>	<b>2,790,012</b>	<b>2,558,293</b>	<b>24,795,993</b>

**City of West Richland  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUL - 9903 (021) - LA9829	2,371,698	-	2,371,698	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	TAP-3435(009) - LA10434	53,454	-	53,454	-	1,2,3
<b>Total ALN 20.205:</b>				<b>2,425,152</b>	<b>-</b>	<b>2,425,152</b>	<b>-</b>	
<b>Highway Safety Cluster</b>								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2023-HVE-4695 -Region 14 Target Zero Task Force	4,094	-	4,094	-	1,3
<b>Total Highway Safety Cluster:</b>				<b>4,094</b>	<b>-</b>	<b>4,094</b>	<b>-</b>	
<b>Total Federal Awards Expended:</b>				<b>2,429,246</b>	<b>-</b>	<b>2,429,246</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.



**City of West Richland**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023**

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the City of West Richland financial statements. The City of West Richland uses the Other Comprehensive Basis of Accounting.

Note 2 – Federal De Minimis Indirect Cost Rate

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

Note 3 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City of West Richland's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

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](http://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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