



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Snohomish

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

Published September 30, 2024

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

September 30, 2024

Mayor and City Council
City of Snohomish
Snohomish, Washington

Report on Financial Statements

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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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 Snohomish January 1, 2022 through December 31, 2022

Mayor and City Council
City of Snohomish
Snohomish, 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 Snohomish, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated September 26, 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.

We noted certain other matters that we have reported to the management of the City in a separate letter dated September 26, 2024.

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, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

September 26, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Snohomish January 1, 2022 through December 31, 2022

Mayor and City Council
City of Snohomish
Snohomish, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

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

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

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

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

Adverse Opinion on U.S. GAAP

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

Basis for Unmodified and Adverse Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

September 26, 2024

FINANCIAL SECTION

City of Snohomish January 1, 2022 through December 31, 2022

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2022

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

		Total for All Funds (Memo Only)	001 General Fund	102 Streets	104 Park Impact Fee
Beginning Cash and Investments					
308	Beginning Cash and Investments	40,456,356	5,977,163	652,503	408,622
388 / 588	Net Adjustments	12,755	(107,249)	(3,230)	-
Revenues					
310	Taxes	11,658,293	8,781,385	-	-
320	Licenses and Permits	275,163	265,613	-	-
330	Intergovernmental Revenues	2,449,667	255,743	204,157	-
340	Charges for Goods and Services	11,344,422	119,507	747	176,400
350	Fines and Penalties	25,656	25,656	-	-
360	Miscellaneous Revenues	680,493	234,074	9,110	3,183
Total Revenues:		26,433,694	9,681,978	214,014	179,583
Expenditures					
510	General Government	3,016,775	2,081,902	-	-
520	Public Safety	3,838,823	3,838,823	-	-
530	Utilities	5,621,334	-	-	-
540	Transportation	1,955,787	-	1,119,668	-
550	Natural/Economic Environment	1,442,970	1,045,376	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	1,069,355	987,891	-	-
Total Expenditures:		16,945,044	7,953,992	1,119,668	-
Excess (Deficiency) Revenues over Expenditures:		9,488,650	1,727,986	(905,654)	179,583
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	3,631,407	-	840,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	43,352	34,000	-	-
Total Other Increases in Fund Resources:		3,674,759	34,000	840,000	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,128,420	295,884	-	-
591-593, 599	Debt Service	800,554	-	-	-
597	Transfers-Out	3,631,407	781,600	-	(338,493)
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	9,656	(48,373)	-	-
Total Other Decreases in Fund Resources:		7,570,037	1,029,111	-	(338,493)
Increase (Decrease) in Cash and Investments:		5,593,372	732,875	(65,654)	518,076
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	10,928,079	-	-	926,698
50841	Committed	2,843,849	-	-	-
50851	Assigned	25,687,770	-	583,618	-
50891	Unassigned	6,602,789	6,602,789	-	-
Total Ending Cash and Investments		46,062,487	6,602,789	583,618	926,698

The accompanying notes are an integral part of this statement.

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

		107 Visitor Promotion	108 Parking Business Improvement A	125 Street Impact Reserve	130 Transportation Benefit Distric
Beginning Cash and Investments					
308	Beginning Cash and Investments	56,801	67,837	487,218	5,061,670
388 / 588	Net Adjustments	-	-	-	6,442
Revenues					
310	Taxes	21,844	-	-	1,333,964
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	55,784	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	935	20,014	6,862	54,628
Total Revenues:		22,779	20,014	62,646	1,388,592
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	48,962
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	81,464	-	-
Total Expenditures:		-	81,464	-	48,962
Excess (Deficiency) Revenues over Expenditures:		22,779	(61,450)	62,646	1,339,630
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	1,090,800
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	1,090,800
Increase (Decrease) in Cash and Investments:		22,779	(61,450)	62,646	248,830
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	79,580	6,387	549,864	5,316,942
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		79,580	6,387	549,864	5,316,942

The accompanying notes are an integral part of this statement.

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

		140 ARPA	150 Behavioral Health & Housing	205 Debt Service Fund	305 Real Estate Excise Tax
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,360,774	-	20,461	745,408
388 / 588	Net Adjustments	-	79,314	-	-
Revenues					
310	Taxes	-	440,416	14	1,080,670
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	1,418,618	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	233	14,000
Total Revenues:		1,418,618	440,416	247	1,094,670
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	397,594	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		397,594	-	-	-
Excess (Deficiency) Revenues over Expenditures:		1,021,024	440,416	247	1,094,670
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	61,600	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	61,600	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	60,860	-
597	Transfers-Out	-	-	-	693,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	60,860	693,000
Increase (Decrease) in Cash and Investments:		1,021,024	440,416	987	401,670
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,381,800	519,730	-	1,147,078
50841	Committed	-	-	-	-
50851	Assigned	-	-	21,448	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		2,381,800	519,730	21,448	1,147,078

The accompanying notes are an integral part of this statement.

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

		310 Municipal Capital Projects	311 Street Improvements	401 Water Utility	402 Wastewater Utility
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,028,619	1,448,406	6,013,469	10,814,594
388 / 588	Net Adjustments	-	(31,745)	(6,321)	410
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	6,450	3,100
330	Intergovernmental Revenues	-	571,149	-	-
340	Charges for Goods and Services	-	-	3,076,143	4,617,570
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	21,784	28,073	114,843	83,561
Total Revenues:		21,784	599,222	3,197,436	4,704,231
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	2,468,010	2,374,629
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	2,468,010	2,374,629
Excess (Deficiency) Revenues over Expenditures:		21,784	599,222	729,426	2,329,602
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	576,507	1,150,800	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	7,516	1,360	-	-
Total Other Increases in Fund Resources:		584,023	1,152,160	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	405,907	1,602,227	16,395	666,602
591-593, 599	Debt Service	-	-	6,643	731,185
597	Transfers-Out	-	-	494,000	776,500
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	1,746	(51,259)	(16,434)	71,385
Total Other Decreases in Fund Resources:		407,653	1,550,968	500,604	2,245,672
Increase (Decrease) in Cash and Investments:		198,154	200,414	228,822	83,930
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	1,226,773	1,617,076	-	-
50851	Assigned	-	-	6,235,971	10,898,935
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,226,773	1,617,076	6,235,971	10,898,935

The accompanying notes are an integral part of this statement.

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

		403 Solid Waste	404 Stormwater Utility	501 Fleet and Facilities	502 Information Services
Beginning Cash and Investments					
308	Beginning Cash and Investments	176,442	4,814,975	519,639	697,983
388 / 588	Net Adjustments	-	58,943	366	15,825
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	1,496,914	1,085,757	595,900
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,242	71,900	5,176	7,659
Total Revenues:		2,242	1,568,814	1,090,933	603,559
Expenditures					
510	General Government	-	-	339,313	595,560
520	Public Safety	-	-	-	-
530	Utilities	176	778,519	-	-
540	Transportation	-	-	787,157	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		176	778,519	1,126,470	595,560
Excess (Deficiency) Revenues over Expenditures:		2,066	790,295	(35,537)	7,999
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	1,002,500	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	476	-	-
Total Other Increases in Fund Resources:		-	1,002,976	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	129,810	-	11,595
591-593, 599	Debt Service	-	-	-	1,866
597	Transfers-Out	-	134,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	52,591	-	-
Total Other Decreases in Fund Resources:		-	316,401	-	13,461
Increase (Decrease) in Cash and Investments:		2,066	1,476,870	(35,537)	(5,462)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	178,508	6,350,789	484,469	708,344
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		178,508	6,350,789	484,469	708,344

The accompanying notes are an integral part of this statement.

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

		503	505 Equipment
		Unemployment	Replacement
		Insurance Fund	
Beginning Cash and Investments			
308	Beginning Cash and Investments	883	102,889
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	-	119,700
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	11	2,205
Total Revenues:		11	121,905
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		-	-
Excess (Deficiency) Revenues over Expenditures:		11	121,905
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	-
385	Special or Extraordinary Items	-	-
381, 382, 389, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		-	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	-	-
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
Total Other Decreases in Fund Resources:		-	-
Increase (Decrease) in Cash and Investments:		11	121,905
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	894	224,794
50891	Unassigned	-	-
Total Ending Cash and Investments		894	224,794

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	Investment Trust	Custodial
308	Beginning Cash and Investments	11,269	6,063	5,206
388 & 588	Net Adjustments	-	-	-
310-390	Additions	29,739	77	29,662
510-590	Deductions	30,052	-	30,052
	Net Increase (Decrease) in Cash and Investments:	(313)	77	(390)
508	Ending Cash and Investments	10,956	6,140	4,816

The accompanying notes are an integral part of this statement.

City of Snohomish
Notes to the Financial Statements
For the year ended December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The City of Snohomish was incorporated on June 30, 1890 and operates under the laws of the state of Washington applicable to a Mayor-Council form of government. The City is a general purpose local government and provides public safety, street improvements, parks and recreation, municipal utilities (water-sewer-storm water-solid waste) and general administrative services. The City of Snohomish uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

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

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

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

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

Investment Trust Funds

These funds are used to report fiduciary activities from the external portion of investment pools and individual investment accounts that are held in trust.

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

C. Cash and Investments

See Note 3 - Deposits and Investments.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 3 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Annual leave may be accumulated up to 30 days and is payable upon separation or retirement. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 4 - Debt Service Requirements.

G. Restricted and Committed Portion of Ending Cash and Investments

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

Restrictions and Commitments of Ending Cash and Investments consist of:

Fund	Fund Name	Restricted	Committed	Restriction/Commitment
104	Park Impact Fee	926,698		RCW - park impact fees
107	Visitor Promotion	79,580		RCW - hotel/motel taxes
108	PBIA	6,387		Parking business improvement assessments
125	Traffic Impact Fee	549,864		RCW - traffic impact fees
130	Transportation Benefit District	5,316,942		RCW - transportation sales tax
140	Snohomish Rescue Fund	2,381,800		Grants
150	Behavioral Health & Housing	519,730		RCW - affordable housing sales tax
305	Real Estate Excise Tax	1,147,078		RCW - real estate excise taxes
310	Municipal Capital Projects		1,226,773	Specific capital projects
311	Street Capital Projects		1,617,076	Specific capital projects
	Fund Totals	10,928,079	2,843,849	

Note 2 – Budget Compliance

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

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

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

Fund	Fund Name	Final Appropriation 2021-2022	Actual Expenditures FYE 2021	Actual Expenditures FYE 2022	Variance
001	General	20,901,685	9,069,249	8,983,103	2,849,333
102	Streets	2,457,033	1,004,128	1,119,668	333,237
104	Park Impact Fee	1,055,000	527,500	(338,493)	865,993
107	Visitor Promotion	20,000	-	-	20,000
108	PBIA	50,000	-	81,464	(31,464)
125	Traffic Impact Fee	-	-	-	-
130	Transportation Benefit Dist.	2,309,340	1,148,578	1,139,762	21,000
140	Snohomish Rescue Fund	1,641,348	57,845	397,594	1,185,909
150	Behavioral Health & Housing	-	-	-	-
205	Debt Service	123,200	57,080	60,860	5,260
305	Real Estate Excise Tax	1,608,960	693,000	693,000	222,960
310	Municipal Capital Projects	3,365,183	795,646	407,653	2,161,884
311	Street Capital Projects	3,126,858	1,237,411	1,550,968	338,479
401	Water Utility	7,620,066	2,797,314	2,968,614	1,854,138
402	Wastewater Utility	15,192,630	3,931,133	4,620,301	6,641,196
403	Solid Waste	-	-	176	(176)
404	Stormwater Utility	6,163,503	1,871,301	1,094,920	3,197,282
501	Fleet & Facilities	2,050,537	1,085,290	1,126,470	(161,223)
502	Information Services	1,142,400	634,354	609,021	(100,975)
503	Unemployment Insurance	10,000	3,912	-	6,088
505	Equipment Replacement	180,000	180,353	-	(353)
	Fund Totals	69,017,743	25,094,094	24,515,081	19,408,568

Any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City's legislative body.

Note 3 – Deposits and Investments

Investments are reported at original cost. Deposits and investments by type at December 31, 2022 are as follows:

Cash & Cash Equivalent Portfolio		
	City	Custodial
Bank Deposits	11,931,407	10,956
Petty Cash/Change Funds	550	-
Local Government Investment Pool	6,703,091	-
Snohomish County Investment Pool	8,086,173	-
Federal Agency Securities	19,341,266	-
Total	46,062,487	10,956

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

Investments in the State Local Government Investment Pool (LGIP)

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

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

Investments in the Snohomish County Investment Pool (SCIP)

The City is a voluntary participant in the Snohomish County Investment Pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The City reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

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 are 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 – Long-Term Debt

Debt Service

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

The debt service payment for general obligation bonds, Public Works Trust Fund Loans, and Department of Health Drinking Water loan are as follows:

City of Snohomish Debt Service Obligations as of December 31, 2022					
Year	General Obligation Bonds	Interest	Other Debt	Interest	Total Debt
2023	55,000	8,160	665,795	13,300	742,255
2024	55,000	5,520	665,795	9,944	736,259
2025	60,000	2,880	303,873	6,587	373,341
2026	-	-	303,873	5,041	308,914
2027	-	-	303,873	3,494	307,367
2028-2032	-	-	252,150	4,692	256,842
2033-2037	-	-	27,452	2,196	29,648
2038-2042	-	-	21,961	769	22,730
Totals	170,000	16,560	2,544,772	46,023	2,777,356

Note 5 - Property Tax

The County Treasurer for Snohomish County acts as an agent to collect property taxes levied in their respective county for all taxing authorities. Collections are distributed after the end of each month.

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

The City's regular levy for 2022 was \$. 0.66 per \$1,000 on an overall final assessed valuation of \$1,976,299,139 for a regular levy of \$1,976,139.

Note 6 – Pension Plans

Substantially all city's full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS) Plans 2 and 3 administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

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

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS may be downloaded from the DRS website at www.drs.wa.gov

At June 30, 2022 the city's proportionate share of the collective net pension liabilities (assets) was as follows:

	Allocation %	Liability(Asset)
PERS 1	0.02461	685,233
PERS 2 and 3	0.032012	(1,187,255)
LEOFF 1	0.005346	(153,356)

Only the net pension liabilities are reported on the Schedule 09.

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, the funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

Note 7 – OPEB Plans

The City provides benefits for two LEOFF 1 retirees for medical and long term care. The medical plan is administered by Association of Washington Cities Employee Benefit Trust Health Care Program and long term care plan is administered by Unum. These are defined benefit plans. The City reimburses the retirees any out of pocket costs not covered by the medical plan.

The OPEB liability as of December 31, 2022 is \$942,596. The alternative measurement method was used from the Office of the WA State Actuary tools. The City contributed \$28,998 for the year ended December 31, 2022.

Note 8 – Health and Welfare

The City of Snohomish 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, 2022, 262 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 2022, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$1.5 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.

Note 9 Risk Management

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

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful

acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

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

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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

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

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

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

Note 10: Joint Venture

AHA – Alliance for Housing Affordability:

In September 2013, the City of Snohomish joined the cities of Edmonds, Everett, Granite Falls, Lake Stevens, Lynnwood, Marysville, Mill Creek, Mountlake Terrace, Mukilteo, and Snohomish, the Town of Woodway, and Snohomish County to establish the Alliance for Housing Affordability (AHA). The agreement was amended in May 2014 to add the City of Arlington and in June 2014 to add the City of Stanwood.

The purpose of AHA is to cooperatively formulate affordable housing goals and policies and to foster efforts to provide affordable housing by providing expertise and information to member jurisdictions. Operating funding is provided by the member cities.

AHA is governed by a Joint Board composed of an elected official from each member. The Joint Board is responsible for review and approval of all budgetary, financial, policy, and contractual matters. The Board is assisted by an administrative staff housed at the Housing Authority for Snohomish County (HASCO). Fiscal agent duties were transferred to HASCO during fiscal year 2018. The values included in the table below were audited and updated by the new fiscal agent and may be different than what was reported in prior years.

Each member city is responsible for contributing operating revenues as determined from the AHA annual budget. Contributions from the member cities are based on each member's population. A grant from the Gates Foundation provided \$50,000 to assist with the first few years of organizational start-up. The City of Snohomish's equity share to date is:

Fiscal Year 7/1/xx - 6/30/xx	AHA's Fiscal Budget	Snohomish's Share of Budget	Snohomish Share as % of Total AHA Budget
2014	\$ 89,859	\$ 1,000	1.11%
2015	\$ 93,063	\$ 1,030	1.11%
2016	\$ 93,652	\$ 1,061	1.13%
2017	\$ 97,934	\$ 1,591	1.62%
2018	\$ 102,586	\$ 1,639	1.60%
2019	\$ 107,391	\$ 1,688	1.57%
2020	\$ 112,408	\$ 1,738	1.55%
2021	\$ 117,673	\$ 1,738	1.48%
2022	\$ 118,200	\$ 1,738	1.47%
2023	\$ 135,522	\$ 780	0.58%

Members withdrawing from the agreement relinquish all rights to any reserve funds, equipment, or material purchased. Upon dissolution, the agreement provides for distribution of net assets among the members based on the percentage of the total annual contributions during the period of the Agreement paid by each member.

Budget monitoring information can be obtained from Pam Frost, Director of Finance, HASCO, 12711 4th Ave W, Everett WA 98204 (email: pfrost@hasco.org) or from Chris Collier, Program Manager, Alliance for Housing Affordability, 12711 4th Ave W, Everett WA 98204.

Note 11: Leases

During the year ended 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 a postage machine under a 60-month non-cancellable lease. The lease began in 2021 and expires in 2026.

The City also has a Canon copier lease under a 60-month non-cancellable lease. The lease began in 2020 and expires in 2025.

The total amount paid for leases in 2022 was \$3,162 and future lease payments are as follows:

Year	Lease Payments
2023	3,162
2024	3,162
2025	2,082
2026	933
Total	9,340

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	ULMT Bond - Rivertrail	7/1/2025	220,000	-	50,000	170,000
Total General Obligation Debt/Liabilities:			220,000	-	50,000	170,000
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Net Pension Liability		298,372	386,861	-	685,233
264.40	OPEB Liability		798,100	144,496	-	942,596
259.12	Compensated Absences		454,533	21,219	-	475,752
263.88	PWTF-CTED-WWTP Upgrades	7/1/2028	842,187	-	120,312	721,875
263.88	PWTF-Cemetery Creek Trunk Sewer 1	3/1/2022	55,098	-	55,098	-
263.88	PWTF-Cemetery Creek Trunk Sewer 2	5/1/2024	1,085,765	-	361,921	723,844
263.88	PWTF-Cemetery Creek Trunk Sewer 3	7/1/2027	442,105	-	73,684	368,421
263.88	WSDOH-Aldercrest	10/1/2042	115,298	-	5,490	109,808
263.88	PWTF-Phase 1 CSO IMP	10/5/2027	730,702	-	104,386	626,316
263.57	Pitney Bowes-Postage Machine	6/9/2026	8,398	-	1,866	6,532
263.57	Canon-Copier	3/1/2025	4,104	-	1,296	2,808
Total Revenue and Other (non G.O.) Debt/Liabilities:			4,834,662	552,576	724,053	4,663,185
Total Liabilities:			5,054,662	552,576	774,053	4,833,185

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

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