



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements Audit Report

## City of Goldendale

For the period January 1, 2022 through December 31, 2023

*Published December 26, 2024*

Report No. 1036248



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

December 26, 2024

Mayor and City Council  
City of Goldendale  
Goldendale, Washington

**Report on Financial Statements**

Please find attached our report on the City of Goldendale'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

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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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 Goldendale January 1, 2022 through December 31, 2023**

Mayor and City Council  
City of Goldendale  
Goldendale, 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 Goldendale, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 19, 2024.

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

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

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

## **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, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

December 19, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **City of Goldendale January 1, 2022 through December 31, 2023**

Mayor and City Council  
City of Goldendale  
Goldendale, Washington

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

### **Unmodified and Adverse Opinions**

We have audited the financial statements of the City of Goldendale, as of and for the years ended December 31, 2023 and 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 Goldendale, and its changes in cash and investments, for the years ended December 31, 2023 and 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 Goldendale, as of December 31, 2023 and 2022, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

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

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

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

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

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

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

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



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

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

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

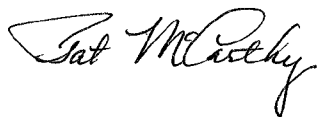
- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining,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

## Supplementary Information

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

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

December 19, 2024

## **FINANCIAL SECTION**

### **City of Goldendale January 1, 2022 through December 31, 2023**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2023  
Fund Resources and Uses Arising from Cash Transactions – 2022  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2023  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2022  
Notes to Financial Statements – 2023  
Notes to Financial Statements – 2022

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2023  
Schedule of Liabilities – 2022

**City of Goldendale**  
**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 Current Expense Fund</b>	<b>101 Street Fund</b>	<b>108 Criminal Justice Prog.</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	3,221,966	1,647,447	3,453	27,636
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	3,068,338	2,873,363	60,309	-
320	Licenses and Permits	148,497	82,339	5,807	-
330	Intergovernmental Revenues	2,042,267	1,351,231	424,161	5,693
340	Charges for Goods and Services	2,477,336	51,962	-	-
350	Fines and Penalties	12,927	12,927	-	-
360	Miscellaneous Revenues	130,128	105,878	-	-
Total Revenues:		7,879,493	4,477,700	490,277	5,693
<b>Expenditures</b>					
510	General Government	617,790	617,790	-	-
520	Public Safety	1,884,465	1,883,216	-	1,249
530	Utilities	1,650,868	-	-	-
540	Transportation	337,011	7,409	329,602	-
550	Natural/Economic Environment	157,653	77,289	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	168,716	168,716	-	-
Total Expenditures:		4,816,503	2,754,420	329,602	1,249
Excess (Deficiency) Revenues over Expenditures:		3,062,990	1,723,280	160,675	4,444
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	704,773	-	704,773	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	97,280	97,280	-	-
Total Other Increases in Fund Resources:		802,053	97,280	704,773	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	1,542,311	1,152,416	83,121	-
591-593, 599	Debt Service	861,447	86,507	224,394	-
597	Transfers-Out	704,773	693,523	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		3,108,531	1,932,446	307,515	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>756,512</b>	<b>(111,886)</b>	<b>557,933</b>	<b>4,444</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	844,397	279,370	-	32,080
50841	Committed	280,946	280,946	-	-
50851	Assigned	1,877,890	-	561,386	-
50891	Unassigned	975,248	975,248	-	-
<b>Total Ending Cash and Investments</b>		<b>3,978,481</b>	<b>1,535,564</b>	<b>561,386</b>	<b>32,080</b>

The accompanying notes are an integral part of this statement.

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

		<b>110 Tourism Fund</b>	<b>300 Capital Imp. Fund</b>	<b>401 Water/Sewer Fund</b>
<b>Beginning Cash and Investments</b>				
308	Beginning Cash and Investments	94,831	143,952	1,304,647
388 / 588	Net Adjustments	-	-	-
<b>Revenues</b>				
310	Taxes	82,970	51,696	-
320	Licenses and Permits	-	-	60,351
330	Intergovernmental Revenues	-	-	261,182
340	Charges for Goods and Services	40	-	2,425,334
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	1,072	-	23,178
Total Revenues:		84,082	51,696	2,770,045
<b>Expenditures</b>				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	1,650,868
540	Transportation	-	-	-
550	Natural/Economic Environment	80,364	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		80,364	-	1,650,868
Excess (Deficiency) Revenues over Expenditures:		3,718	51,696	1,119,177
<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	-	-	306,774
591-593, 599	Debt Service	-	-	550,546
597	Transfers-Out	-	11,250	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	11,250	857,320
<b>Increase (Decrease) in Cash and Investments:</b>		<b>3,718</b>	<b>40,446</b>	<b>261,857</b>
<b>Ending Cash and Investments</b>				
50821	Nonspendable	-	-	-
50831	Restricted	98,550	184,397	250,000
50841	Committed	-	-	-
50851	Assigned	-	-	1,316,504
50891	Unassigned	-	-	-
<b>Total Ending Cash and Investments</b>		<b>98,550</b>	<b>184,397</b>	<b>1,566,504</b>

The accompanying notes are an integral part of this statement.

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

		<b>Total for All Funds (Memo Only)</b>	<b>001 Current Expense Fund</b>	<b>101 Street Fund</b>	<b>108 Criminal Justice Prog.</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	3,152,414	1,392,729	84,287	24,627
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	2,960,053	2,799,074	-	-
320	Licenses and Permits	105,644	72,458	1,186	-
330	Intergovernmental Revenues	1,437,497	816,766	615,302	5,429
340	Charges for Goods and Services	2,567,803	44,144	11,258	-
350	Fines and Penalties	23,237	23,237	-	-
360	Miscellaneous Revenues	76,780	48,604	-	-
Total Revenues:		7,171,014	3,804,283	627,746	5,429
<b>Expenditures</b>					
510	General Government	778,789	778,789	-	-
520	Public Safety	1,752,809	1,750,389	-	2,420
530	Utilities	1,601,184	-	-	-
540	Transportation	358,759	27,083	331,676	-
550	Natural/Economic Environment	115,623	28,275	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	113,284	113,284	-	-
Total Expenditures:		4,720,448	2,697,820	331,676	2,420
Excess (Deficiency) Revenues over Expenditures:		2,450,566	1,106,463	296,070	3,009
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	735,000	-	735,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	105,339	105,339	-	-
Total Other Increases in Fund Resources:		840,339	105,339	735,000	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	1,518,852	150,426	887,358	-
591-593, 599	Debt Service	967,500	86,657	224,546	-
597	Transfers-Out	735,000	720,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		3,221,352	957,083	1,111,904	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>69,553</b>	<b>254,719</b>	<b>(80,834)</b>	<b>3,009</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,495,789	979,370	-	27,636
50841	Committed	58,918	58,918	-	-
50851	Assigned	1,058,100	-	3,453	-
50891	Unassigned	609,160	609,160	-	-
<b>Total Ending Cash and Investments</b>		<b>3,221,967</b>	<b>1,647,448</b>	<b>3,453</b>	<b>27,636</b>

The accompanying notes are an integral part of this statement.

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

		<b>110 Tourism Fund</b>	<b>300 Capital Imp. Fund</b>	<b>401 Water/Sewer Fund</b>
<b>Beginning Cash and Investments</b>				
308	Beginning Cash and Investments	82,145	91,944	1,476,682
388 / 588	Net Adjustments	-	-	-
<b>Revenues</b>				
310	Taxes	93,971	67,008	-
320	Licenses and Permits	-	-	32,000
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	5,781	-	2,506,620
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	282	-	27,894
Total Revenues:		100,034	67,008	2,566,514
<b>Expenditures</b>				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	1,601,184
540	Transportation	-	-	-
550	Natural/Economic Environment	87,348	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		87,348	-	1,601,184
Excess (Deficiency) Revenues over Expenditures:		12,686	67,008	965,330
<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	-	-	481,068
591-593, 599	Debt Service	-	-	656,297
597	Transfers-Out	-	15,000	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	15,000	1,137,365
<b>Increase (Decrease) in Cash and Investments:</b>		<b>12,686</b>	<b>52,008</b>	<b>(172,035)</b>
<b>Ending Cash and Investments</b>				
50821	Nonspendable	-	-	-
50831	Restricted	94,831	143,952	250,000
50841	Committed	-	-	-
50851	Assigned	-	-	1,054,647
50891	Unassigned	-	-	-
<b>Total Ending Cash and Investments</b>		<b>94,831</b>	<b>143,952</b>	<b>1,304,647</b>

The accompanying notes are an integral part of this statement.

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

		<b>Custodial</b>
308	Beginning Cash and Investments	36,405
388 & 588	Net Adjustments	-
310-390	Additions	9,051
510-590	Deductions	10,707
	Net Increase (Decrease) in Cash and Investments:	(1,656)
508	Ending Cash and Investments	34,748

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



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

		<u>Custodial</u>
308	Beginning Cash and Investments	41,394
388 & 588	Net Adjustments	-
310-390	Additions	12,358
510-590	Deductions	17,347
	Net Increase (Decrease) in Cash and Investments:	(4,989)
508	Ending Cash and Investments	36,405

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

**CITY OF GOLDENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**January 1, 2023 through December 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Goldendale was incorporated on November 15, 1879 and operates under the laws of the state of Washington applicable to a non-charter code City Mayor-Council form of government. The City of Goldendale is a general-purpose government and provides public safety, fire prevention, street maintenance, storm drainage, parks and recreation, economic development, tourism, water and sewer, health and social services and general administrative services.

The City of Goldendale 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 described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classification defined 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. The following are the fund types used:

**GOVERNMENTAL FUND TYPES:**

General (Current Expense) 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.

Managerial funds are funds which do not have restricted or committed revenue sources. The interfund activity between the current expense fund and the managerial funds is eliminated from the financial statements. The following managerial funds have been consolidated with the current expense fund:

- Drug Fund
- Parks and Rec Fund
- Gdale Housing Rehab Fund
- Economic Development Fund
- Public Safety Reserve Fund

#### 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.

#### Special Revenue Funds

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

#### PROPRIETARY FUND TYPES:

##### Enterprise Funds

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

#### FIDUCIARY FUND TYPES:

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

##### Custodial Funds

These funds are used to account assets that the City of Goldendale 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 only 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 of the City of Goldendale and are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to a 240 hours balance at year-end and is payable upon separation or retirement.

Sick leave may be accumulated up to 960 hours. Upon separation or retirement employees do receive a 25% payment for unused sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 5, *Long Term Debt*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investment 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. 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 consists of the following:

<b>Fund</b>	<b>Fund Balance Classification</b>	<b>Ending Cash Amount</b>	<b>Description</b>
001 - Current Expense Fund - Public Safety Reserve	Committed	\$271,434	Use of 40% of the Optional .5% Sales tax is restricted for capital purchases for Public Safety functions (Ordinance No. 1370).
001 - Current Expense Fund - Drug Enforcement and Investigation	Committed	\$9,512	The fund was created to accumulate funds to offset the cost of drug enforcement and investigation. It is also used to collect forfeited properties. (Ordinance No. 1279). It is rolled into the General Fund.
001 - Current Expense Fund - ARPA Funds	Restricted	\$279,370	These are ARPA funds that the City will use for allowable purposes in future years.
300 - Capital Improvement Fund	Restricted	\$184,397	The fund is used to receive monies collected by the State for Real Estate Excise Taxes. Spending this money is restricted by RCW 82.46.
108 - Criminal Justice Special Programs Fund	Restricted	\$32,080	These funds are restricted by RCW 82.14.330(2)(b).
110 - Tourism Fund	Restricted	\$98,550	Use of the funds received from lodging tax revenues is restricted by RCW 67.28.1815.
401 - Water/Sewer Fund	Restricted	\$150,000	Reserve Requirement for Rural Development Revenue Bond (Ordinance No. 1397).
401 - Water/Sewer Fund	Restricted	\$100,000	Short-lived Asset reserve requirement for Rural Development Revenue Bond (Ordinance No. 1397).
650 - Agency Suspense Fund	Restricted	\$34,748	Funds held for the State.

The Public Safety Reserve Fund has been consolidated with the Current Expense Fund elsewhere in the Notes and the Financial Statements.

## NOTE 2 – BUDGET COMPLIANCE

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

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Current Expense	\$ 4,994,150	\$ 4,771,247	\$ 222,903
Drug Enf/Invest Fund*	5,000	2,101	2,899
Current Expense Total:	4,999,150	4,773,348	225,802
City Street	584,000	637,117	(53,117)
CJ Programs	1,500	1,249	251
Capital Improvement Fund	15,000	11,250	3,750
Tourism Fund	80,000	80,364	(364)
Water/Sewer Fund	2,544,950	2,508,188	36,762
Less Transfers within the Current Expense Fund		\$ (86,482)	\$ -
Total	\$ 8,224,600	\$ 7,925,034	\$ 213,084

\* this fund is reported into the general fund for financial statement purposes

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

The Tourism Fund used budgeted fund balance to pay for an event during 2023 and the City reallocated employee salaries which caused the City Street Fund to be over budget in 2023. The 2024 budget will be corrected to make sure this does not continue.

The actual Expenditures include debt service payment, even though the City has agreed to annual appropriations to payoff the loans in accordance with amortization schedules. The City felt it more important to be fiscally prudent and has made it a practice to have the budget reflect the current debt service payments.

### NOTE 3 – Deposits and Investments

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

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

Investments are reported at amortized cost. Investments by type at December 31, 2023 are as follows:

Type of Investment	City Funds	Funds held by the City as an agent for other local government, individuals or private organizations		Total
Cash	\$ 3,188,026	\$	34,748	\$ 3,222,774
L.G.I.P	790,455		0	790,455
Total	\$ 3,978,481	\$	34,748	\$ 4,013,229

### *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](http://www.tre.wa.gov).

#### NOTE 4 - PROPERTY TAX

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

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

The City's regular levy for the year 2023 was \$2.83045922 per \$1,000 on an assessed valuation of \$352,324,921 for a total regular levy of \$997,241.

#### NOTE 5 – LONG TERM DEBT

The accompanying Schedule of Liabilities (09) provides more details of the outstanding liabilities of the City of Goldendale and summarizes the City's debt transactions for year ended December 31, 2023.

The debt service requirements for general obligation bonds, revenue bonds and other debt, including both principal and interest, as follows:

##### General Obligation Bonds

Year	Principal	Interest	Total
2024 \$	220,974	\$ 43,916	\$ 264,889
2025	183,966	34,583	218,549
2026	144,132	28,072	172,204
2027	149,655	22,367	172,022
2028	146,138	16,409	162,547
2029-2032	315,263	19,495	334,758
Totals:	\$ 1,160,128	\$ 164,842	\$ 1,324,969



### Revenue and Other Debt

Year	Principal	Interest	Total
2024 \$	370,880	\$ 138,136	\$ 509,016
2025	325,517	131,174	456,691
2026	287,431	124,334	411,765
2027	283,515	117,778	401,293
2028	289,108	111,129	400,237
2029-2033	1,215,746	374,641	1,590,387
2034-2038	1,137,429	304,915	1,442,344
2039-2043	527,432	201,344	728,776
2044-2048	608,984	119,791	728,775
2049-2053	427,991	29,623	457,614
2054-2057	41,576	1,970	43,546
Totals:	\$ 5,515,609	\$ 1,654,835	\$ 7,170,444

### NOTE 6 - PENSION PLANS

Substantially all the 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 PERS I, PERS II/III, LEOFF I, LEOFF II.

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).

The City of Goldendale also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for

Volunteer Fire Fighters and Reserve Officers. The City's pension asset for this fund is \$71,351. Detailed information about the plan is included in the State of Washington ACFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

At June 30, 2023, the City's proportionate share of the collective net pension liabilities, as reported on the Schedule 9, was as follows:

<b>Plans with Net Pension Liabilities</b>	<b>Employer Contributions</b>	<b>Allocation Percentage*</b>	<b>Ending Balance 12/31/2023</b>
PERS 1 UAAL (combine with PERS 1 for reporting)	\$ 41,648	0.006112%	139,521
			<b>\$ 139,521</b>
<b>Plans with Net Pension Assets</b>	<b>Employer Contributions</b>	<b>Allocation Percentage*</b>	<b>Ending Balance 12/31/2023</b>
PERS 2/3	\$ 69,351	0.007888%	(323,304)
VFFRPF	\$ 570	0.330000%	(65,235)
LEOFF 1		0.003736%	(110,885)
LEOFF 2	35,103.73	0.015552%	(373,030)
			<b>\$ (872,454)</b>

#### LEOFF Plan 1

The City of Goldendale 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 of Goldendale 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 recommendation 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 7 - OPEB

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City of Goldendale as required by RCW 41.26. 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 one (1) member, who is a retiree. As of December 31, 2023, the City of Goldendale's total OPEB liability was \$497,576, as calculated using the alternative measurement method. For the year ended December 31, 2023, the City of Goldendale paid \$17,281 in benefits.

#### NOTE 8 – RISK MANAGEMENT

The City of Goldendale 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 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, and 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.

In the opinion of management, the City's insurance policies are adequate to pay all known or pending claims.

**CITY OF GOLDENDALE**  
**NOTES TO FINANCIAL STATEMENTS**  
**January 1, 2022 through December 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Goldendale was incorporated on November 15, 1879 and operates under the laws of the state of Washington applicable to a non-charter code city Mayor-Council form of government. The City of Goldendale is a general-purpose government and provides public safety, fire prevention, street maintenance, storm drainage, parks and recreation, economic development, tourism, water and sewer, health and social services and general administrative services.

The City of Goldendale 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 described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classification defined 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. The following are the fund types used:

**GOVERNMENTAL FUND TYPES:**

General (Current Expense) 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.

Managerial funds are funds which do not have restricted or committed revenue sources. The interfund activity between the current expense fund and the managerial funds is eliminated from the financial statements. The following managerial funds have been consolidated with the current expense fund:

- Drug Fund

#### 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.

#### Special Revenue Funds

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

#### PROPRIETARY FUND TYPES:

##### Enterprise Funds

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

#### FIDUCIARY FUND TYPES:

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

##### Custodial Funds

These funds are used to account assets that the City of Goldendale 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 only 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 of the City of Goldendale and are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to a 240 hours balance at year-end and is payable upon separation or retirement.

Sick leave may be accumulated up to 960 hours. Upon separation or retirement employees do receive a 25% payment for unused sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 5, *Long Term Debt*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investment 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. 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 consists of the following:

<b>Fund</b>	<b>Fund Balance Classification</b>	<b>Ending Cash Amount</b>	<b>Description</b>
001 - Current Expense Fund	Restricted	\$979,370	These are ARPA funds that the City will use for allowable purposed in future years.
001 - Current Expense Fund - Public Safety Reserve	Committed	\$49,790	Use of 40% of the Optional .5% Sales tax is restricted for capital purchases for Public Safety functions (Ordinance No. 1370).
001 - Current Expense Fund - Drug Enforcement and Investigation	Committed	\$9,128	The fund was created to accumulate funds to offset the cost of drug enforcement and investigation. It is also used to collect forfeited properties. (Ordinance No. 1279). It is rolled into the General Fund.
300 - Capital Improvement Fund	Restricted	\$143,952	The fund is used to receive monies collected by the State for Real Estate Excise Taxes. Spending this money is restricted by RCW 82.46.
108 - Criminal Justice Special Programs Fund	Restricted	\$27,636	These funds are restricted by RCW 82.14.330(2)(b).
110 - Tourism Fund	Restricted	\$94,831	Use of the funds received from lodging tax revenues is restricted by RCW 67.28.1815.
401 - Water/Sewer Fund	Restricted	\$150,000	Reserve Requirement for Rural Development Revenue Bond (Ordinance No. 1397).
401 - Water/Sewer Fund	Restricted	\$100,000	Short-lived Asset reserve requirement for Rural Development Revenue Bond (Ordinance No. 1397).
650 - Agency Suspense Fund	Restricted	\$36,405	Funds held for the State.

The Public Safety Reserve Fund has been consolidated with the Current Expense Fund elsewhere in the Notes and the Financial Statements.



## NOTE 2 – BUDGET COMPLIANCE

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

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Current Expense	\$ 4,065,200	\$ 3,837,127	\$ 228,073
Drug Enf/Invest Fund*	7,000	5,775	1,225
Current Expense Total:	4,072,200	3,842,902	229,298
City Street	1,626,300	1,443,580	182,720
CJ Programs	5,000	2,420	2,580
Capital Improvement Fund	15,000	15,000	-
Tourism Fund	84,000	87,348	(3,348)
Water/Sewer Fund	2,754,650	2,738,549	16,101
Less Transfers within the Current Expense Fund		\$ (188,000)	\$ -
Total	\$ 8,557,150	\$ 7,941,799	\$ 427,351

\* this fund is wrapped into the general fund for financial statement purposes

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

The Tourism Fund used budgeted fund balance to pay for an event during 2022.

The actual Expenditures include debt service payment, even though the City has agreed to annual appropriations to payoff the loans in accordance with

amortization schedules. The city felt it more important to be fiscally prudent and has made it a practice to have the budget reflect the current debt service payments.

### NOTE 3 – Deposits and Investments

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

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

Investments are reported at amortized cost. Investments by type at December 31, 2022 are as follows:

Type of Investment	City Funds	Funds held by the City as an agent for other local government, individuals or private organizations		Total
Cash	\$ 2,470,792	\$	36,405	\$ 2,507,197
L.G.I.P	751,175		0	751,175
Total	\$ 3,221,967	\$	36,405	\$ 3,258,372

### *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](http://www.tre.wa.gov).

#### NOTE 4 - PROPERTY TAX

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

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

The City's regular levy for the year 2022 was \$3.07315567 per \$1,000 on an assessed valuation of \$316,700,075 for a total regular levy of \$973,269.

#### NOTE 5 – LONG TERM DEBT

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

The debt service requirements for general obligation bonds, revenue bonds and other debt, including both principal and interest, as follows:

#### General Obligation Bonds

Year	Principal	Interest	Total
2023	\$ 295,710	\$ 54,931	\$ 350,641
2024	220,974	43,916	264,889
2025	183,966	34,583	218,549
2026	144,132	28,072	172,203
2027	149,655	22,367	172,022
2028-2032	461,402	35,903	497,306
Totals:	\$ 1,455,839	\$ 219,771	\$ 1,675,610

## Revenue and Other Debt

Year	Principal	Interest	Total
2023	\$ 365,876	\$ 144,930	\$ 510,805
2024	370,880	138,136	509,016
2025	325,517	131,174	456,692
2026	287,431	124,334	411,765
2027	283,515	117,778	401,293
2028-2032	1,504,854	485,769	1,990,623
2033-2037	1,137,429	304,915	1,442,343
2038-2042	527,432	201,344	728,775
2043-2047	608,984	119,791	728,775
2048-2052	427,991	29,623	457,614
2053-2057	41,578	1,970	43,548
<hr/>			
Totals:	\$ 5,881,485	\$ 1,799,764	\$ 7,681,250

### NOTE 6 - PENSION PLANS

Substantially all the 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 PERS I, PERS II/III, LEOFF I, LEOFF II.

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).

The City of Goldendale also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for

Volunteer Fire Fighters and Reserve Officers. The City's pension asset for this fund is \$71,351. Detailed information about the plan is included in the State of Washington ACFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

At June 30, 2022, the City's proportionate share of the collective net pension liabilities, as reported on the Schedule 9, was as follows:

	Employer Contribution	Allocation %	Ending Balance
PERS 1	\$ 40,762	0.006651%	\$ 185,188
Total Net Pension Liability			\$ 185,188
LEOFF 1	-	0.004816%	\$ (138,152)
LEOFF 2	\$ 31,417	0.017192%	(467,227)
VFFRPF	480	0.250000%	(71,351)
PERS 2 & 3	80,123	0.008674%	(321,700)
Total Net Pension Asset			\$ (998,430)

#### LEOFF Plan 1

The City of Goldendale 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 of Goldendale 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 recommendation 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 7 - OPEB

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB

plan administered by the City of Goldendale as required by RCW 41.26. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2022, the plan had one (1) member, who is a retiree. As of December 31, 2022, the City of Goldendale's total OPEB liability was \$452,354, as calculated using the alternative measurement method. For the year ended December 31, 2022, the City of Goldendale paid \$15,804 in benefits.

#### NOTE 8 – RISK MANAGEMENT

The City of Goldendale 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 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, and 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.

In the opinion of management, the City's insurance policies are adequate to pay all known or pending claims.

**City of Goldendale  
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>
<b>General Obligation Debt/Liabilities</b>						
251.11	East Central Neighborhood Improvement	12/1/2025	215,578	-	83,271	132,307
251.11	Baker St Bldg Engery Imp	7/1/2026	46,442	-	9,288	37,154
251.11	West Columbia NIP	12/1/2030	365,782	-	42,203	323,579
263.96	Law Enforcement Vehicles	6/1/2023	41,749	-	41,749	-
263.96	Fire Engine	6/1/2028	176,255	-	25,913	150,342
263.96	PW Trucks	6/1/2023	41,749	-	41,749	-
263.96	Street Sweeper/Vac Truck	6/1/2031	568,284	-	51,538	516,746
<b>Total General Obligation Debt/Liabilities:</b>			<b>1,455,839</b>	<b>-</b>	<b>295,711</b>	<b>1,160,128</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
252.11	PWTF-East Collins Pre-Const	6/30/2024	6,331	-	3,165	3,166
252.11	PWTF-East Collins Const	6/30/2024	130,168	-	43,389	86,779
252.11	USRD 2010 Bond	10/26/2050	2,530,349	-	58,973	2,471,376
252.11	Lower Reservoir Replacement	10/1/2034	814,843	-	67,904	746,939
252.11	DOE LKR Sewer Collection	3/1/2035	1,845,501	-	114,866	1,730,635
252.11	PWTF LKR Sewer Collection	6/1/2032	150,588	-	15,059	135,529
252.11	USRD LKR Sewer Collection	5/25/1956	271,491	-	5,782	265,709
252.11	PWTF-Chl Well Const	10/1/2024	94,738	-	47,369	47,369
252.11	PWTF-Chl Well Const II	10/1/2026	37,476	-	9,369	28,107
259.12	Compensated Absences		32,609	-	5,777	26,832
259.12	General Compensated Absenses		118,396	8,340	-	126,736
264.40	OPEB Liability		452,354	45,222	-	497,576
264.30	Pension Liabilites		185,188	-	45,667	139,521
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>6,670,032</b>	<b>53,562</b>	<b>417,320</b>	<b>6,306,274</b>
<b>Total Liabilities:</b>			<b>8,125,871</b>	<b>53,562</b>	<b>713,031</b>	<b>7,466,402</b>



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

<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>
<b>General Obligation Debt/Liabilities</b>						
251.11	East Central Neighborhood Improvement	12/1/2025	295,108	-	79,530	215,578
251.11	Baker St Bldg Engery Imp	7/1/2026	55,730	-	9,288	46,442
251.11	West Columbia NIP	12/1/2030	407,036	-	41,254	365,782
263.96	Law Enforcement Vehicles	6/1/2023	81,510	-	39,761	41,749
263.96	Fire Engine	6/1/2028	200,934	-	24,679	176,255
263.96	PW Trucks	6/1/2023	81,510	-	39,761	41,749
263.96	Street Sweeper/Vac Truck	6/1/2031	616,633	-	48,349	568,284
<b>Total General Obligation Debt/Liabilities:</b>			<b>1,738,461</b>	<b>-</b>	<b>282,622</b>	<b>1,455,839</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
252.11	PWTF-East Collins Pre-Const	6/30/2024	9,496	-	3,165	6,331
252.11	PWTF-East Collins Const	6/30/2024	173,557	-	43,389	130,168
252.11	PWFT-Chl Well Drought Rlf	6/30/2022	19,474	-	19,474	-
252.11	USRD 2010 Bond	10/26/2050	2,587,604	-	57,255	2,530,349
252.11	DOE WWTP Construction	12/31/2022	83,561	-	83,561	-
252.11	Lower Reservoir Replacement	10/1/2034	882,746	-	67,903	814,843
252.11	DOE LKR Sewer Collection	3/1/2035	1,957,310	-	111,809	1,845,501
252.11	PWTF LKR Sewer Collection	6/1/2032	165,647	-	15,059	150,588
252.11	USRD LKR Sewer Collection	5/25/1956	277,167	-	5,676	271,491
252.11	PWTF-Chl Well Const	10/1/2024	142,107	-	47,369	94,738
252.11	PWTF-Chl Well Const II	10/1/2026	46,846	-	9,370	37,476
264.30	Pension Liabilites		80,394	104,794	-	185,188
259.12	Compensated Absences		56,611	-	24,002	32,609
259.12	General Compensated Absenses		244,108	-	125,712	118,396
264.40	OPEB Liability		510,801	-	58,447	452,354
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>7,237,429</b>	<b>104,794</b>	<b>672,191</b>	<b>6,670,032</b>
<b>Total Liabilities:</b>			<b>8,975,890</b>	<b>104,794</b>	<b>954,813</b>	<b>8,125,871</b>

## 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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