



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Town of Eatonville

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

Published December 23, 2024

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

December 23, 2024

Mayor and Town Council
Town of Eatonville
Eatonville, Washington

Report on Financial Statements

Please find attached our report on the Town of Eatonville's financial statements.

We are issuing this report in order to provide information on the Town'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*

Town of Eatonville January 1, 2020 through December 31, 2022

Mayor and Town Council
Town of Eatonville
Eatonville, 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 Town of Eatonville, as of and for the years ended December 31, 2022, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Town's financial statements, and have issued our report thereon dated December 12, 2024.

We issued an unmodified opinion on the fair presentation of the Town'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 Town 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 Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 Town'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 Town'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 Town'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 12, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Town of Eatonville January 1, 2020 through December 31, 2022

Mayor and Town Council
Town of Eatonville
Eatonville, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the Town of Eatonville, as of and for the years ended December 31, 2022, 2021 and 2020, and the related notes to the financial statements, as listed in the financial section of our report.

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

As described in Note 1, the Town 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 Town of Eatonville, and its changes in cash and investments, for the years ended December 31, 2022, 2021 and 2020, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

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

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, 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 Town 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 Town'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 Town'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 Town'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 Town'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 12, 2024 on our consideration of the Town'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 Town'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 Town'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 12, 2024

FINANCIAL SECTION

Town of Eatonville January 1, 2020 through December 31, 2022

FINANCIAL STATEMENTS

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Schedule of Liabilities – 2020

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

		Total for All Funds (Memo Only)	001 Current Expense Fund	101 Street Fund	102 Transportation Benefit District
Beginning Cash and Investments					
308	Beginning Cash and Investments	7,294,266	1,805,957	60,927	303,733
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	2,153,688	1,939,191	-	51,698
320	Licenses and Permits	95,085	93,233	-	-
330	Intergovernmental Revenues	1,407,550	593,136	570,458	-
340	Charges for Goods and Services	5,603,860	63,680	-	-
350	Fines and Penalties	9,810	9,810	-	-
360	Miscellaneous Revenues	228,104	85,995	1,597	4,936
Total Revenues:		9,498,097	2,785,045	572,055	56,634
Expenditures					
510	General Government	749,225	749,225	-	-
520	Public Safety	1,516,676	1,516,676	-	-
530	Utilities	4,745,759	18,991	-	-
540	Transportation	93,722	5,405	88,317	-
550	Natural/Economic Environment	210,341	199,505	-	-
560	Social Services	860	860	-	-
570	Culture and Recreation	136,046	136,046	-	-
Total Expenditures:		7,452,629	2,626,708	88,317	-
Excess (Deficiency) Revenues over Expenditures:		2,045,468	158,337	483,738	56,634
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,202,120	427,835	127,285	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	263,907	115,739	-	-
Total Other Increases in Fund Resources:		1,466,027	543,574	127,285	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	913,148	157,040	627,892	-
591-593, 599	Debt Service	308,198	33,721	-	-
597	Transfers-Out	1,202,120	64,401	-	18,288
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	232,971	112,461	-	-
Total Other Decreases in Fund Resources:		2,656,437	367,623	627,892	18,288
Increase (Decrease) in Cash and Investments:		855,058	334,288	(16,869)	38,346
Ending Cash and Investments					
50821	Nonspendable	38,414	-	-	-
50831	Restricted	111,948	-	-	-
50841	Committed	3,231,407	1,002,176	-	342,078
50851	Assigned	3,629,489	-	44,057	-
50891	Unassigned	1,138,063	1,138,063	-	-
Total Ending Cash and Investments		8,149,321	2,140,239	44,057	342,078

The accompanying notes are an integral part of this statement.

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

		110 Tourism Fund	130 REET Fund	401 Electric Fund	410 Water Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	74,624	432,744	1,836,364	821,018
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	29,588	133,211	-	-
320	Licenses and Permits	-	-	-	1,702
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	2,588,325	1,024,619
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,773	12,174	48,617	23,333
Total Revenues:		31,361	145,385	2,636,942	1,049,654
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	2,409,273	569,555
540	Transportation	-	-	-	-
550	Natural/Economic Environment	10,836	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		10,836	-	2,409,273	569,555
Excess (Deficiency) Revenues over Expenditures:		20,525	145,385	227,669	480,099
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	647,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	124,784	-
Total Other Increases in Fund Resources:		-	-	771,784	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	114,216	-
591-593, 599	Debt Service	-	-	-	162,529
597	Transfers-Out	-	14,865	162,873	757,175
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	29,800	90,710
Total Other Decreases in Fund Resources:		-	14,865	306,889	1,010,414
Increase (Decrease) in Cash and Investments:		20,525	130,520	692,564	(530,315)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	563,264	994,361	98,090
50851	Assigned	95,148	-	1,534,568	192,614
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		95,148	563,264	2,528,929	290,704

The accompanying notes are an integral part of this statement.

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

		411 Sewer Fund	450 Storm Drain Fund	460 Refuse Fund	700 Cemetery Endowment Improvement
Beginning Cash and Investments					
308	Beginning Cash and Investments	997,379	487,126	442,937	31,457
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	150	-	-	-
330	Intergovernmental Revenues	-	-	243,956	-
340	Charges for Goods and Services	820,144	179,961	927,131	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	24,260	10,503	7,959	6,957
Total Revenues:		844,554	190,464	1,179,046	6,957
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	518,769	111,142	1,118,029	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		518,769	111,142	1,118,029	-
Excess (Deficiency) Revenues over Expenditures:		325,785	79,322	61,017	6,957
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	23,384	-	-	-
Total Other Increases in Fund Resources:		23,384	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	14,000	-	-	-
591-593, 599	Debt Service	111,948	-	-	-
597	Transfers-Out	80,596	27,001	76,921	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		206,544	27,001	76,921	-
Increase (Decrease) in Cash and Investments:		142,625	52,321	(15,904)	6,957
Ending Cash and Investments					
50821	Nonspendable	-	-	-	38,414
50831	Restricted	111,948	-	-	-
50841	Committed	106,402	40,200	84,836	-
50851	Assigned	921,654	499,248	342,200	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,140,004	539,448	427,036	38,414

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	001 Current Expense Fund	101 Street Fund	102 Transportation Benefit District
Beginning Cash and Investments					
308	Beginning Cash and Investments	5,784,279	1,158,155	105,589	250,132
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	2,079,056	1,891,038	-	56,766
320	Licenses and Permits	110,645	106,216	-	-
330	Intergovernmental Revenues	1,574,123	584,814	56,337	-
340	Charges for Goods and Services	5,333,052	76,903	-	-
350	Fines and Penalties	19,011	19,011	-	-
360	Miscellaneous Revenues	202,151	56,636	12,643	391
Total Revenues:		9,318,038	2,734,618	68,980	57,157
Expenditures					
510	General Government	621,414	621,414	-	-
520	Public Safety	1,397,224	1,397,224	-	-
530	Utilities	3,940,763	9,008	-	-
540	Transportation	74,558	2,543	72,015	-
550	Natural/Economic Environment	261,431	247,243	-	-
560	Social Services	890	890	-	-
570	Culture and Recreation	114,811	114,811	-	-
Total Expenditures:		6,411,091	2,393,133	72,015	-
Excess (Deficiency) Revenues over Expenditures:		2,906,947	341,485	(3,035)	57,157
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,052,693	391,505	47,858	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	69,862	58,862	-	-
Total Other Increases in Fund Resources:		1,122,555	450,367	47,858	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,023,465	12,528	89,483	-
591-593, 599	Debt Service	367,695	32,510	-	-
597	Transfers-Out	1,052,693	40,744	-	3,557
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	75,651	58,266	-	-
Total Other Decreases in Fund Resources:		2,519,504	144,048	89,483	3,557
Increase (Decrease) in Cash and Investments:		1,509,998	647,804	(44,660)	53,600
Ending Cash and Investments					
50821	Nonspendable	31,457	-	-	-
50831	Restricted	107,326	-	-	-
50841	Committed	2,041,502	684,450	-	303,733
50851	Assigned	3,992,474	-	60,927	-
50891	Unassigned	1,121,507	1,121,507	-	-
Total Ending Cash and Investments		7,294,266	1,805,957	60,927	303,733

The accompanying notes are an integral part of this statement.

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

		110 Tourism Fund	130 REET Fund	401 Electric Fund	410 Water Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	63,756	329,509	943,996	1,190,637
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	24,970	106,282	-	-
320	Licenses and Permits	-	-	-	3,929
330	Intergovernmental Revenues	-	-	-	867,374
340	Charges for Goods and Services	-	-	2,401,190	1,105,084
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	87	509	49,751	21,700
Total Revenues:		25,057	106,791	2,450,941	1,998,087
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	1,990,681	563,644
540	Transportation	-	-	-	-
550	Natural/Economic Environment	14,188	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		14,188	-	1,990,681	563,644
Excess (Deficiency) Revenues over Expenditures:		10,869	106,791	460,260	1,434,443
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	613,330	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	11,000	-
Total Other Increases in Fund Resources:		-	-	624,330	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	66,692	854,762
591-593, 599	Debt Service	-	-	-	223,237
597	Transfers-Out	-	3,557	108,145	726,059
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	17,385	-
Total Other Decreases in Fund Resources:		-	3,557	192,222	1,804,058
Increase (Decrease) in Cash and Investments:		10,869	103,234	892,368	(369,615)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	432,744	253,047	145,090
50851	Assigned	74,624	-	1,583,317	675,928
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		74,624	432,744	1,836,364	821,018

The accompanying notes are an integral part of this statement.

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

		411 Sewer Fund	450 Storm Drain Fund	460 Refuse Fund	700 Cemetery Endowment Improvement
Beginning Cash and Investments					
308	Beginning Cash and Investments	866,708	428,331	420,513	26,953
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	500	-	-	-
330	Intergovernmental Revenues	-	-	65,598	-
340	Charges for Goods and Services	731,442	155,890	862,543	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	47,966	7,483	481	4,504
Total Revenues:		779,908	163,373	928,622	4,504
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	452,900	83,206	841,324	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		452,900	83,206	841,324	-
Excess (Deficiency) Revenues over Expenditures:		327,008	80,167	87,298	4,504
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	111,948	-	-	-
597	Transfers-Out	84,388	21,370	64,873	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		196,336	21,370	64,873	-
Increase (Decrease) in Cash and Investments:		130,672	58,797	22,425	4,504
Ending Cash and Investments					
50821	Nonspendable	-	-	-	31,457
50831	Restricted	107,326	-	-	-
50841	Committed	106,402	40,200	75,836	-
50851	Assigned	783,651	446,926	367,101	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		997,379	487,126	442,937	31,457

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	001 Current Expense Fund	101 Street Fund	102 Transportation Benefit District
Beginning Cash and Investments					
308	Beginning Cash and Investments	5,145,594	996,074	25,959	250,354
388 / 588	Net Adjustments	(11,776)	(11,357)	-	-
Revenues					
310	Taxes	1,887,723	1,733,878	-	57,876
320	Licenses and Permits	125,235	119,530	-	-
330	Intergovernmental Revenues	1,266,751	240,897	493,228	-
340	Charges for Goods and Services	4,995,483	85,707	-	-
350	Fines and Penalties	20,115	20,115	-	-
360	Miscellaneous Revenues	194,267	64,353	1,159	1,990
Total Revenues:		8,489,574	2,264,480	494,387	59,866
Expenditures					
510	General Government	691,702	691,702	-	-
520	Public Safety	1,363,419	1,363,419	-	-
530	Utilities	3,866,255	8,601	-	-
540	Transportation	56,954	2,945	54,009	-
550	Natural/Economic Environment	220,628	215,126	-	-
560	Social Services	852	852	-	-
570	Culture and Recreation	84,769	84,769	-	-
Total Expenditures:		6,284,579	2,367,414	54,009	-
Excess (Deficiency) Revenues over Expenditures:		2,204,995	(102,934)	440,378	59,866
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	520,697	403,772	107,524	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	151,360	99,200	-	-
Total Other Increases in Fund Resources:		672,057	502,972	107,524	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,184,454	54,030	468,273	-
591-593, 599	Debt Service	419,476	33,030	-	-
597	Transfers-Out	520,697	56,833	-	60,087
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	101,956	82,698	-	-
Total Other Decreases in Fund Resources:		2,226,583	226,591	468,273	60,087
Increase (Decrease) in Cash and Investments:		650,469	173,447	79,629	(221)
Ending Cash and Investments					
50821	Nonspendable	26,953	-	-	-
50831	Restricted	102,704	-	-	-
50841	Committed	1,518,459	320,959	-	250,132
50851	Assigned	3,298,967	-	105,589	-
50891	Unassigned	837,196	837,196	-	-
Total Ending Cash and Investments		5,784,279	1,158,155	105,589	250,132

The accompanying notes are an integral part of this statement.

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

		110 Tourism Fund	116 Sidewalk Mitigation	130 REET Fund	201 MillPond Park Bond Redemption
Beginning Cash and Investments					
308	Beginning Cash and Investments	54,624	5	245,088	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	14,100	-	81,869	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	534	-	2,552	-
Total Revenues:		14,634	-	84,421	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	5,502	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		5,502	-	-	-
Excess (Deficiency) Revenues over Expenditures:		9,132	-	84,421	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	9,401
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	9,401
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	9,401
597	Transfers-Out	-	5	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	5	-	9,401
Increase (Decrease) in Cash and Investments:		9,132	(5)	84,421	-
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	329,509	-
50851	Assigned	63,756	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		63,756	-	329,509	-

The accompanying notes are an integral part of this statement.

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

		401 Electric Fund	410 Water Fund	411 Sewer Fund	450 Storm Drain Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	895,859	1,038,276	822,648	390,889
388 / 588	Net Adjustments	(3,426)	898	1,587	64
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	5,105	600	-
330	Intergovernmental Revenues	-	532,626	-	-
340	Charges for Goods and Services	2,252,694	1,093,074	647,214	142,431
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	8,176	25,582	76,465	7,809
Total Revenues:		2,260,870	1,656,387	724,279	150,240
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	2,079,011	574,511	415,776	90,094
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,079,011	574,511	415,776	90,094
Excess (Deficiency) Revenues over Expenditures:		181,859	1,081,876	308,503	60,146
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	18,374	33,786	-	-
Total Other Increases in Fund Resources:		18,374	33,786	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	13,184	624,049	24,918	-
591-593, 599	Debt Service	-	225,228	151,817	-
597	Transfers-Out	116,227	114,919	89,298	22,769
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	19,258	-	-	-
Total Other Decreases in Fund Resources:		148,669	964,196	266,033	22,769
Increase (Decrease) in Cash and Investments:		51,564	151,466	42,470	37,377
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	102,704	-
50841	Committed	253,047	145,090	106,402	40,200
50851	Assigned	690,949	1,045,547	657,602	388,131
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		943,996	1,190,637	866,708	428,331

The accompanying notes are an integral part of this statement.

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

		460 Refuse Fund	700 Cemetery Endowment Improvement
Beginning Cash and Investments			
308	Beginning Cash and Investments	401,320	24,498
388 / 588	Net Adjustments	458	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	774,363	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	3,193	2,454
Total Revenues:		777,556	2,454
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	698,262	-
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		698,262	-
Excess (Deficiency) Revenues over Expenditures:		79,294	2,454
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	60,559	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
Total Other Decreases in Fund Resources:		60,559	-
Increase (Decrease) in Cash and Investments:		18,735	2,454
Ending Cash and Investments			
50821	Nonspendable	-	26,953
50831	Restricted	-	-
50841	Committed	73,120	-
50851	Assigned	347,393	-
50891	Unassigned	-	-
Total Ending Cash and Investments		420,513	26,953

The accompanying notes are an integral part of this statement.

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

		<u>Custodial</u>
308	Beginning Cash and Investments	2,877
388 & 588	Net Adjustments	-
310-390	Additions	10,245
510-590	Deductions	<u>10,935</u>
	Net Increase (Decrease) in Cash and Investments:	(690)
508	Ending Cash and Investments	2,187

The accompanying notes are an integral part of this statement.

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

		<u>Custodial</u>
308	Beginning Cash and Investments	2,884
388 & 588	Net Adjustments	-
310-390	Additions	20,491
510-590	Deductions	20,498
	Net Increase (Decrease) in Cash and Investments:	(7)
508	Ending Cash and Investments	2,877

The accompanying notes are an integral part of this statement.

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

		<u>Custodial</u>
308	Beginning Cash and Investments	920
388 & 588	Net Adjustments	-
310-390	Additions	19,783
510-590	Deductions	<u>17,821</u>
	Net Increase (Decrease) in Cash and Investments:	1,962
508	Ending Cash and Investments	2,884

The accompanying notes are an integral part of this statement.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The Town of Eatonville was incorporated on October 28, 1909 and operates under the laws of the state of Washington applicable to a fourth-class Town with a Council – Mayor form of government. The Town of Eatonville is a general purpose local government and provides public safety, fire prevention, street improvements, parks, building inspection, community services, refuse and general administrative services. In addition the Town owns and operates its own cemetery, water, sewer and power systems.

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements (see *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are 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 (Current Expense) Fund 001

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

Special Revenue Funds 100-199

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

Debt Service Funds 200-299

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.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

Capital Projects Funds 300-399

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

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds 400-499

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.

Pension (and Other Employee Benefit) Trust Funds

These funds are used to report fiduciary activities for pension and OPEB plans administered through trust.

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.

Private-Purpose Trust Funds

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

Custodial Funds

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

B. Basis of Accounting and Measurement Focus

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

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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

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 \$5,000.00 and an estimated useful life in excess of 1 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation, retirement or death. Sick leave may be carried over up to 800 hours with 20% (not to exceed 96 hours) payable upon separation, retirement or death.

The Governmental compensated absences amount as of December 31, 2022 is \$91,304.70. The Proprietary compensated absences amount as of December 31, 2022 is \$69,248.75.

F. Long-Term Debt

See Note 7 – *Long-Term Debt (formerly Debt Service Requirements)*.

G. Restricted and Committed Portion of Ending Cash and Investments

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

Restrictions and commitments of Ending Cash and Investments consist of:

Transportation Benefit District Fund. The Transportation Benefit District Fund had a committed balance of \$342,077.94 as of December 31, 2022.

REET Fund. The REET Fund had a committed balance of \$563,263.59 as of December 31, 2022.

Current Expense Fund. The Current Expense Fund had a committed balance of \$1,002,176.19 as of December 31, 2022. The Current Expense reserve amount was \$320,958.90 and the American Rescue Plan Act was \$681,217.29.

Electric Fund. The Electric Fund had a committed balance of \$994,361.25 as of December 31, 2022.

Water Fund. The Water Fund had a committed balance of \$98,089.77 as of December 31, 2022.

Sewer Fund. The Sewer Fund had a committed balance of \$106,401.67 as of December 31, 2022. Per bond covenants, the Town is required to hold in a reserve fund one year's debt service payment. The reserve is not available for appropriation. As of December 31, 2022, the Sewer Fund had a Restricted balance of \$111,948.00 held to meet the requirements of the bond covenants.

Storm Fund. The Storm Fund had a committed balance of \$40,200.00 as of December 31, 2022.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

Refuse Fund. The Refuse Fund had a committed balance of \$84,836.26 as of December 31, 2022.

Note 2 - Budget Compliance

The Town adopts annual appropriated budgets for general, special revenue and enterprise funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001-General Fund	\$3,734,674.73	\$2,991,753.66	\$742,921.07
101-Street Fund	\$3,444,501.00	\$716,211.82	\$2,728,289.18
102-TBD	\$155,972.00	\$18,288.57	\$137,683.43
110-Tourism Fund	\$24,500.00	\$10,836.48	\$13,663.52
130-REET Fund	\$110,400.00	\$14,865.35	\$95,534.65
401-Electric Fund	\$2,895,140.00	\$2,687,495.92	\$207,644.08
410-Water Fund	\$1,625,367.09	\$1,580,629.30	\$44,737.79
411-Sewer Fund	\$674,550.00	\$613,785.56	\$60,764.44
412-USDA Sewer Bond	\$ 111,948.00	\$ 111,948.00	
450-Storm Drain Fund	\$217,850.00	\$138,203.12	\$79,646.88
460-Refuse Fund	\$1,300,750.00	\$1,195,247.93	\$105,502.07

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

Note 3 – Deposits and Investments

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

Type of Investment	Town of Eatonville's own investments	Deposits & Investments held by the Town – Fiscal Agency Remittance	Total
L.G.I.P.	\$1,947,381.47		\$1,947,381.47
Columbia Bank	\$6,123,619.35	\$2,187.12	\$6,125,806.47
KeyBank Cash Account	\$ 2,565.72		\$ 2,565.72
Xpress Bill Pay holding	\$75,253.37		\$75,253.37
Cash on Hand/Petty Cash	\$500.00		\$500.00
Total	\$8,149,319.91	\$2,187.12	\$8,151,507.03

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

It is the Town of Eatonville'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 Town 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.

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

Note 4 – Going Concern / Financial Condition

The Town of Eatonville previously had concerns over the lack of rate increases for charges for service. Annual CPI increases had not been keeping up with actual cost of doing business.

The Town of Eatonville completed a rate study for all funds (Electric, Water, Sewer and Storm Drain) in 2022. Recommended utility rate increases were approved in the beginning of 2023.

The Town of Eatonville expects this to enable the government to continue operating and meeting its obligations as they come due.

Note 5 - Interfund Loans

The Eatonville Town Council approved Resolution 2021-LL on November 22, 2021. This Resolution approved terms for an interfund payback plan (Interfund Loan) from the Water Department to the Electrical Department. This was for Demand Charges that were inadvertently routed to the Water Fund rather than the Electrical Fund. The payback will not start until 2022. The Town Council approved Resolution 2022-A on January 10, 2022, amending the terms of the original interfund loan.

The following table displays interfund loan activity during 2022:

Borrowing Fund	Lending Fund	Beginning Balance	New Loans	Payments	Ending Balance
Water	Electric	\$553,596.32	\$0.00	\$90,709.81	\$462,886.51

Note 6 – Leases

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

The Town of Eatonville leases copiers from Ricoh through the State of Washington contract #05214. This lease began in October of 2019 and will end September of 2024. The monthly payment amount is \$356.14.

The Town of Eatonville leases body cameras for the Police Department. This lease began in September of 2021 and will end August of 2026. When the lease began, the Town only had four body cameras. In April the Town added 2 additional cameras and paid a prorated charge for the additional 2 cameras to get them on the same payment schedule as the remaining. The current monthly payment amount is \$330.00 payable in December for the following year.

The Town of Eatonville leases a Postage Meter. This lease began in March 2022 and will end February of 2027. The monthly payment amount is \$55.20, payment is made on this lease quarterly. The payment amount for the first quarter of 2022 was 143.94 from the previous lease.

The Town of Eatonville has a rent payment for our Post Office Box, which is a yearly payment and payable in November of each year. There are no terms for this lease payment, and the amount can fluctuate year to year. The lease amount paid in 2022 was \$332.00.

The total amount paid for leases in 2022 was \$9,866.42. As of December 31, 2022, the future lease payments are as follows:

Year Ending December 31	Total
2023	\$8,896.08
2024	\$7,827.66
2025	\$3,302.40
2026	\$662.40
2027	\$165.60

Note 7 – Long-Term Debt *(formerly Debt Service Requirements)*

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

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

	General Obligation Bonds	Revenue Bonds	Total Debt
2023	\$ 14,000.00	\$ 244,803.24	\$ 258,803.24
2024	\$ 18,375.00	\$ 152,726.75	\$ 171,101.75
2025	\$ 17,625.00	\$ 152,524.88	\$ 170,149.88
2026-2030	\$ 48,375.00	\$ 559,740.00	\$ 608,115.00
2031-2035		\$ 559,740.00	\$ 559,740.00
2036-2040		\$ 559,740.00	\$ 559,740.00
2041-2045		\$ 329,699.00	\$ 329,699.00
2046-2050		\$ 231,110.00	\$ 231,110.00
2051-2053		\$ 115,555.00	\$ 115,555.00

Note 8 – Pension Plans

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

A. State Sponsored Pension Plans

Substantially all of Town of Eatonville's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees' Retirement System (PERS) and Law Enforcement officers and Fire Fighters' Retirement system (LEOFF).

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

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

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

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

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

Plan Type	Employer Contributions	Allocation %	Liability/Asset
PERS 1	\$38,153.43	0.00622600%	\$173,355.00
PERS 2/3	\$65,100.76	0.00810300%	(\$300,523.00)
LEOFF 1		0.00186600%	(\$53,528.00)
LEOFF 2	\$16,538.35	0.00798800%	(\$217,090.00)

LEOFF Plan 1

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

LEOFF Plan 2

The Town of Eatonville also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

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 9 - Property Tax

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

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

The Town of Eatonville's regular levy for the year 2022 was \$1.94 per \$1,000 on an assessed valuation of \$384,840,430.00 for a total regular levy of \$747,100.00.

The Town of Eatonville's EMS levy for the year 2022 was \$0.32 per \$1,000 on an assessed valuation of \$384,840,430.00 for a total regular levy of \$122,482.84.

Note 10 – Risk Management

The Town of Eatonville is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2022, 106 entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier. Pollution, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA allows members with airports to group purchase airport liability coverage, and members with drones to group purchase property and liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2022

liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$500,000, per occurrence, and is reinsured by National League of Cities Mutual Insurance Company (NLC MIC) for the additional \$500,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from National League of Cities Mutual Insurance Company (NLC MIC). The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The reinsurance coverage is purchased through NLC MIC and excess property coverage is purchased through AIG Specialty Insurance Company and CHUBB. In 2022, AWC RMSA carried a retention of \$200,000, NLC MIC reinsures up to \$3 million, AIG Specialty Insurance Company provides excess insurance up to \$50 million, and CHUBB provides the remaining limits up to a total of \$250 million. All commercial policies have been purchased through the pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

Note 11 – Other Disclosures

The Schedule 1 Report – State Treasurer Distributions Check shows a variance as reported for 2022. The difference is -\$239.00 of reported revenue for selected codes to verify Other Business Licenses and Permit distributions. The difference is due to refunds issued to businesses that do not conduct business within the limits of the Town of Eatonville.

The Schedule 09 Report – Debt – Principal Payments Check shows a variance of \$2,611 for the current year Debt Principal Payments from Schedule 01 to reductions on Schedule 09. This is due to a combination of taxes paid as well as copies paid for on the copier lease that are not a part of the principal balance of the lease.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies

The Town of Eatonville was incorporated on October 28, 1909 and operates under the laws of the state of Washington applicable to a fourth-class Town with a Council – Mayor form of government. The Town of Eatonville is a general purpose local government and provides public safety, fire prevention, street improvements, parks, building inspection, community services, refuse and general administrative services. In addition the Town owns and operates its own cemetery, water, sewer and power systems.

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements (see *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are 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 (Current Expense) Fund 001

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

Special Revenue Funds 100-199

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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

Debt Service Funds 200-299

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 300-399

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

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds 400-499

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.

Pension (and Other Employee Benefit) Trust Funds

These funds are used to report fiduciary activities for pension and OPEB plans administered through trust.

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.

Private-Purpose Trust Funds

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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

Custodial Funds

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

B. Basis of Accounting and Measurement Focus

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

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

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be carried over up to 240 hours and is payable upon separation, retirement or death. Sick leave may be carried over up to 800 hours with 20% (not to exceed 96 hours) payable upon separation, retirement or death.

The Governmental compensated absences amount as of December 31, 2021 is \$67,162.00. The Proprietary compensated absences amount as of December 31, 2021 is \$47,755.00.

F. Long-Term Debt

See Note 7 – *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 Town Council. When expenditures that meet restrictions are incurred, the Town of Eatonville intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Transportation Benefit District Fund. The Transportation Benefit District Fund had a committed balance of \$303,733.08 as of December 31, 2021.

REET Fund. The REET Fund had a committed balance of \$432,744.04 as of December 31, 2021.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

Current Expense Fund. The Current Expense Fund had a committed balance of \$684,450.06 as of December 31, 2021. The Current Expense reserve amount was \$320,958.90 and the American Rescue Plan Act was \$363,491.16.

Electric Fund. The Electric Fund had a committed balance of \$253,046.77 as of December 31, 2021.

Water Fund. The Water Fund had a committed balance of \$145,089.77 as of December 31, 2021.

Sewer Fund. The Sewer Fund had a committed balance of \$106,401.67 as of December 31, 2021. Per bond covenants, the Town is required to hold in a reserve fund one year's debt service payment. The reserve is not available for appropriation. As of December 31, 2021, the Sewer Fund had a Restricted balance of \$107,325.80 held to meet the requirements of the bond covenants.

Storm Fund. The Storm Fund had a committed balance of \$40,200.00 as of December 31, 2021.

Refuse Fund. The Refuse Fund had a committed balance of \$75,836.26 as of December 31, 2021.

Note 2 - Budget Compliance

The Town adopts annual appropriated budgets for general, special revenue and enterprise 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 Expenses	Variance
001-General Fund	\$ 2,730,703.00	\$ 2,537,182.96	\$ 193,520.04
101-Street Fund	\$ 441,200.00	\$ 161,498.72	\$ 279,701.28
102-TBD	\$ 110,400.00	\$ 3,556.52	\$ 106,843.48
110-Tourism Fund	\$ 16,770.00	\$ 14,188.76	\$ 2,581.24
130-REET Fund	\$ 110,400.00	\$3,556.52	\$ 106,843.48
401-Electric Fund	\$ 2,493,140.00	\$ 2,182,901.70	\$ 310,238.30
410-Water Fund	\$ 2,747,398.26	\$2,367,704.24	\$379,694.02
411-Sewer Fund	\$ 683,500.00	\$537,288.67	\$146,211.33
412-USDA Sewer Bond	\$ 111,948.00	\$ 111,948.00	
450-Storm Drain Fund	\$ 229,050.00	\$104,577.42	\$124,472.58
460-Refuse Fund	922,650.00	\$906,197.42	\$16,452.58

Budgeted amounts are authorized to be transferred between departments within any fund or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Town of Eatonville's legislative body.

Note 3 – COVID-19 Pandemic

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

The Town of Eatonville relies heavily on Property Tax and Sales Tax as our main source of revenue. This has continued to be a steady revenue during the COVID-19 pandemic.

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

Note 4 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type as of December 31, 2021 are as follows:

Type of Investment	Town of Eatonville's own investments	Deposits & Investments held by the Town –	
		Fiscal Agency Remittance	Total
L.G.I.P.	\$ 1,915,245.73		\$ 1,915,245.73
Columbia Bank	\$ 5,370,964.02	\$2,877.33	\$5,368,086.69
KeyBank Cash Account	\$ 2,513.44		\$ 2,513.44
Xpress Bill Pay holding	\$ 7,920.62		\$ 7,920.62
Cash on Hand/Petty Cash	\$ 500.00		\$ 500.00
Total	\$ 7,294,266.48	\$2,877.33	\$ 7,297,143.81

It is the Town of Eatonville'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 Town of Eatonville 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.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

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.

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

Note 5 – Going Concern / Financial Condition

The Town of Eatonville has had concerns over rate increases for charges for service. Annual CPI increases have not been keeping up with actual cost of doing business.

The Town Council tasked staff with acquiring proposals for a rate study for all funds (Electric, Water, Sewer and Storm Drain). This will take place in 2022.

These planned actions are expected to enable the government to continue operating and meeting its obligations as they come due.

Note 6 - Interfund Loans

The following describes interfund loan activity during 2021:

The Eatonville Town Council approved Resolution 2021-LL on November 22, 2021. This Resolution approved terms for an interfund payback plan (Interfund Loan) from the Water Department to the Electrical Department. This was for Demand Charges that were inadvertently routed to the Water Fund rather than the Electrical Fund. The payback will not start until 2022. The Town Council approved Resolution 2022-A on January 10, 2022, amending the terms of the original interfund loan.

Note 7 – Long-Term Debt

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

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

	General Obligation Bonds	Revenue Bonds	Total Debt
2022	\$ 23,854.90	\$ 271,000.61	\$ 294,855.51
2023	\$ 14,000.00	\$ 244,803.24	\$ 258,803.24
2024	\$ 18,375.00	\$ 152,726.75	\$ 171,101.75
2025	\$ 17,625.00	\$ 152,524.88	\$ 170,149.88
2026-2030	\$ 48,375.00	\$ 559,740.00	\$ 608,115.00
2031-2035		\$ 559,740.00	\$ 559,740.00
2036-2040		\$ 559,740.00	\$ 559,740.00

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

2041-2045	\$ 329,699.00	\$ 329,699.00
2046-2050	\$ 231,110.00	\$ 231,110.00
2051-2053	\$ 115,555.00	\$ 115,555.00

Note 8 – Pension Plans

A. State Sponsored Pension Plans

Substantially all of Town of Eatonville’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees’ Retirement System (PERS) and Law Enforcement officers and Fire Fighters’ Retirement system (LEOFF).

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

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

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

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

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

Plan Type	Employer Contributions	Allocation %	Liability/Asset
PERS 1	\$ 44,249.50	0.00594%	\$72,541.00
PERS 2/3	\$72,381.60	0.007641%	(\$761,167.00)
LEOFF 1		0.001816%	(\$62,208.00)
LEOFF 2	\$14,502.40	0.007275%	(\$422,562.00)

LEOFF Plan 1

The Town of Eatonville 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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

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

LEOFF Plan 2

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

Note 9 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month. Property tax revenues are recognized when cash is received by the Town of Eatonville. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town of Eatonville's regular levy for the year 2021 was \$2.29 per \$1,000 on an assessed valuation of \$311,865,201.00 for a total regular levy of \$714,300.36.

The Town of Eatonville's EMS levy for the year 2021 was \$0.37 per \$1,000 on an assessed valuation of \$311,865,201.00 for a total regular levy of \$115,805.78.

Note 10 – Risk Management

The Town of Eatonville 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, 2021, 262 cities/towns/non-city entities participate 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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

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, 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 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through Intermediary Insurance Services. 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 11 – Other Disclosures

The Schedule 1 Report – Validation Report shows a yellow flag for a negative amount on line 62. This is due to a cash shortage of \$5.00 on October 26, 2021.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2021

The Schedule 1 Report – Validation Report shows a yellow flag for a negative amount on lines 245, 293, 339 and 380. These are due to previous years outstanding transactions that included late fees. When these were cleaned up it created a negative amount to the late fee line.

The Schedule 1 Report – State Treasurer Distributions Check shows a variance as reported for 2021. The difference is -\$140.00 of reported revenue for selected codes to verified Other Business Licenses and Permit distributions. The difference is due to refunds issued to businesses that do not conduct business inside the limits of the Town of Eatonville.

The Schedule 9 Report – Schedule 09 Summary shows a difference of -\$32.00 between prior years ending and current years beginning balance. This is due to the actual principal amount to pay off loan in 2021 differing from the ending balance in 2020.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies

The Town of Eatonville was incorporated on October 28, 1909 and operates under the laws of the state of Washington applicable to a fourth-class Town with a Council – Mayor form of government. The Town of Eatonville is a general-purpose local government and provides public safety, fire prevention, street improvements, parks, building inspection, community services, refuse and general administrative services. In addition, the Town of Eatonville owns and operates its own cemetery, water, sewer and power systems.

The Town of Eatonville 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:

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- Supplementary information required by GAAP is not presented.
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A. Fund Accounting

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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

Debt Service Funds 200-299

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 300-399

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

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds 400-499

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.

Pension (and Other Employee Benefit) Trust Funds

These funds are used to report fiduciary activities for pension and OPEB plans administered through trust.

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.

Private-Purpose Trust Funds

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

Custodial Funds

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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

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/county/district) also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be carried over up to 240 days and is payable upon separation, retirement or death. Sick leave may be carried over up to 800 hours with 20% (not to exceed 96 hours) payable upon separation, retirement or death.

The Governmental compensated absences amount as of December 31, 2020 is \$72,041.47. The Proprietary compensated absences amount as of December 31, 2020 is \$40,338.09.

F. Long-Term Debt

See Note 6 – Long-Term Debt.

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 Town Council. When expenditures that meet restrictions are incurred, the Town of Eatonville intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Transportation Benefit District Fund. The Transportation Benefit District Fund had a committed balance of \$250,131.99 as of December 31, 2020.

REET Fund. The REET Fund had a committed balance of \$329,508.91 as of December 31, 2020.

Current Expense Fund. The Current Expense Fund had a committed balance of \$320,958.90 as of December 31, 2020.

Electric Fund. The Electric Fund had a committed balance of \$253,046.77 as of December 31, 2020.

Water Fund. The Water Fund had a committed balance of \$145,089.77 as of December 31, 2020.

Sewer Fund. The Sewer Fund had a committed balance of \$106,401.67 as of December 31, 2020.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

Per bond covenants, the Town is required to hold in a reserve fund one year's debt service payment. The reserve is not available for appropriation. As of December 31, 2020, the Sewer Fund had a Restricted balance of \$102,703.60 held to meet the requirements of the bond covenants.

Storm Fund. The Storm Fund had a committed balance of \$40,200 as of December 31, 2020.

Refuse Fund. The Refuse Fund had a committed balance of \$73,120 as of December 31, 2020.

Note 2 - Budget Compliance

The Town of Eatonville adopts annual appropriated budgets for general, special revenue and enterprise funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001-General Fund	\$ 2,937,292.00	\$ 2,574,939.37	\$ 362,352.63
101-Street Fund	\$ 840,116.00	\$ 522,279.83	\$ 317,836.17
102-TBD	\$ 231,500.00	\$ 60,087.19	\$ 171,412.81
110-Tourism Fund	\$ 67,200.00	\$ 5,501.45	\$ 61,698.55
130-REET Fund	\$ 266,000.00		\$ 266,000.00
201-MillPond Park Bond	\$ 9,417.08	\$ 9,400.75	\$ 16.33
401-Electric Fund	\$ 2,972,609.43	\$ 2,231,107.38	\$ 741,502.05
410-Water Fund	\$ 3,423,816.42	\$ 1,537,812.01	\$ 1,886,004.41
411-Sewer Fund	\$ 1,455,305.96	\$680,220.05	\$ 775,085.91
412-USDA Sewer Bond	\$ 111,948.00	\$ 111,948.00	
450-Storm Drain Fund	\$ 519,528.65	\$ 112,798.07	\$ 406,730.58
460-Refuse Fund	\$ 1,013,829.00	\$ 758,362.56	\$ 255,466.44

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

Note 3 – COVID-19 Pandemic

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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

The Town of Eatonville relies heavily on Property Tax and Sales Tax as our main source of revenue. This has continued to be a steady revenue during the COVID-19 pandemic.

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

Note 4 – Financial Condition

The Town of Eatonville has had some concerns over decreasing fund balance in the Sewer Fund. The Town of Eatonville also faced the loss of a long-time employee in the Electric Department and has had no success with a replacement, possibly due to inadequately competitive wages.

In order to alleviate these circumstances, the Eatonville Town Council approved a Sewer Rate increase in 2020 that took effect in February of 2021 and included an increase for 2022. The Town of Eatonville also began a wage study to utilize as a tool in setting rates for each fund and to help determine supportable, competitive wages. These planned actions are expected to enable the government to continue operating and meeting its obligations as they come due.

Note 5 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type as of December 31, 2020 are as follows:

Type of Investment	Town of Eatonville's own investments	Deposits & Investments held by the Town –	
		Fiscal Agency Remittance	Total
L.G.I.P.	\$ 1,913,242.31		\$ 1,913,242.31
Columbia Bank	\$ 3,863,133.34	\$2,883.83	\$ 3,866,017.17
KeyBank Cash Account	\$ 2,576.40		\$ 2,576.40
Xpress Bill Pay holding	\$ 4,823.25		\$4,823.25
Cash on Hand/Petty Cash	\$ 500.00		\$ 500.00
Total	\$ 5,784,275.30	\$2,883.83	\$ 5,787,159.13

It is the Town of Eatonville'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 Town of Eatonville 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.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

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.

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

Note 6 – Long-Term Debt

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

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

	General Obligation Bonds	Revenue Bonds	Total Debt
2021	\$ 32,510.42	\$ 335,316.70	\$ 367,827.12
2022	\$ 23,854.90	\$ 271,000.61	\$ 294,855.51
2023	\$ 14,000.00	\$ 244,803.24	\$ 258,803.24
2024	\$ 18,375.00	\$ 152,726.75	\$ 171,101.75
2025	\$ 17,625.00	\$ 152,524.88	\$ 170,149.88
2026-2030	\$ 48,375.00	\$ 559,740.00	\$ 608,115.00
2031-2035		\$ 559,740.00	\$ 559,740.00
2036-2040		\$ 559,740.00	\$ 559,740.00
2041-2045		\$ 329,699.00	\$ 329,699.00
2046-2050		\$ 231,110.00	\$ 231,110.00
2051-2053		\$ 115,555.00	\$ 115,555.00

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all of Town of Eatonville's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees' Retirement System (PERS) and Law Enforcement officers and Fire Fighters' Retirement system (LEOFF).

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

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

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

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

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

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

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

Plan Type	Employer Contributions	Allocation %	Liability/Asset
PERS 1	\$ 42,358.17	0.005845%	\$ 206,360
PERS 2/3	\$ 69,764.72	0.007573%	\$ 96,854
LEOFF 1		0.001772%	\$(33,464)
LEOFF 2	\$ 13,788.27	0.007048%	\$(143,769)

LEOFF Plan 1

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

LEOFF Plan 2

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

Note 8 - Property Tax

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

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

The Town of Eatonville's regular levy for the year 2020 was \$2.43 per \$1,000 on an assessed valuation of \$288,138,482.00 for a total regular levy of \$701,695.74.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

The Town of Eatonville's EMS levy for the year 2020 was \$0.39 per \$1,000 on an assessed valuation of \$288,138,482.00 for a total regular levy of \$114,000.66.

Note 9 – Risk Management

The Town of Eatonville 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, 2020, 262 cities/towns/non-city entities participate 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, 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 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an individual stop loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. 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.

Town of Eatonville
Notes to the Financial Statements
For the year ended December 31, 2020

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 10 – Other Disclosures

The Schedule 1 Report - Fund Balance-Beginning Check shows a variance for Prior Year Ending vs. Current Year Beginning as reported for 2020. The difference is due to the Cemetery Endowment Fund (120) being reported as a Special Revenue Fund in prior years. Fund was changed to report as a Permanent Fund for 2020 as it is a restricted fund and was not being reported correctly.

The Schedule 1 Report – Validation Report shows a yellow flag for a negative amount on line 168. This is due to the BARS account being a payroll clearing account set up by our Software.

The Schedule 1 Report – Validation Report shows a yellow flag for a negative amount on lines 56, 71, 167, 272, 315, 362, 399 and 420. These are due to previous years transactions that were entered incorrectly and transactions being created to clean up the outstanding items.

The Schedule 1 Report – Validation Report shows a yellow flag for a negative amount on lines 47 and 301. These are due to refunds of transactions from 2019 that were refunded in 2020 due to cancelations.

The Schedule 1 Report – State Treasurer Distributions Check shows a variance as reported for 2020. The difference is -\$50.00 of reported revenue for selected codes to verified Other Business Licenses and Permit distributions. The difference is due to refunds issued to businesses that do not conduct business inside the limits of the Town of Eatonville.

**Town of Eatonville
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.96	Police Vehicle Financing	6/1/2022	9,126	-	9,126	-
263.96	Town Hall Remodel	6/1/2028	95,000	-	10,000	85,000
263.56	Ricoh Copier		-	11,752	4,274	7,478
263.56	PD Bodycams		-	15,180	4,620	10,560
263.56	Post Office Box		-	332	332	-
263.56	Postage Meter		-	3,312	497	2,815
Total General Obligation Debt/Liabilities:			104,126	30,576	28,849	105,853
Revenue and Other (non G.O.) Debt/Liabilities						
263.82	Hill Top Reservoir	6/1/2022	24,516	-	24,516	-
263.82	Alternative Filtration Plant	6/1/2025	161,500	-	40,375	121,125
263.82	Source Development & Improvements	10/1/2023	180,784	-	90,391	90,393
263.82	USDA Sewer Improvements	6/15/2001	824,180	-	26,895	797,285
263.82	USDA Sewer Lagoon Liner	9/28/2012	955,841	-	20,076	935,765
264.30	Net Pension Liability		72,541	100,814	-	173,355
259.12	Compensated Absences- Governmental		67,162	24,143	-	91,305
259.12	Compensated Absences- Proprietary		47,755	21,493	-	69,248
Total Revenue and Other (non G.O.) Debt/Liabilities:			2,334,279	146,450	202,253	2,278,476
Total Liabilities:			2,438,405	177,026	231,102	2,384,329

Town of Eatonville
Schedule of Liabilities
For the Year Ended December 31, 2021

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.96	Police Vehicle Financing	6/1/2021	7,946	-	7,946	-
263.96	Police Vehicle Financing	6/1/2022	17,819	-	8,692	9,127
263.96	Town Hall Remodel	6/1/2028	105,000	-	10,000	95,000
Total General Obligation Debt/Liabilities:			130,765	-	26,638	104,127
Revenue and Other (non G.O.) Debt/Liabilities						
263.82	New Source Water Supply	6/1/2021	62,323	-	62,322	1
263.82	Hill Top Reservoir	6/1/2022	49,031	-	24,515	24,516
263.82	Alternative Filtration Plant	6/1/2025	201,875	-	40,375	161,500
263.82	Source Development & Improvements	10/1/2023	271,175	-	90,391	180,784
263.82	USDA Sewer Improvements	6/15/2001	849,841	-	25,662	824,179
263.82	USDA Sewer Lagoon Liner	9/28/2012	975,375	-	19,535	955,840
264.30	Net Pension Liability		303,214	-	230,673	72,541
259.12	Compensated Absences- Governmental		72,040	-	4,878	67,162
259.12	Compensated Absences- Proprietary		40,338	7,417	-	47,755
Total Revenue and Other (non G.O.) Debt/Liabilities:			2,825,212	7,417	498,351	2,334,278
Total Liabilities:			2,955,977	7,417	524,989	2,438,405

Town of Eatonville
Schedule of Liabilities
For the Year Ended December 31, 2020

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Mill Pond Park Bond	6/1/2020	9,189	-	9,221	(32)
263.96	Police Vehicle Financing	6/1/2021	15,514	-	7,568	7,946
263.96	Police Vehicle Financing	6/1/2022	26,097	-	8,278	17,819
263.96	Town Hall Remodel	6/1/2028	115,000	-	10,000	105,000
Total General Obligation Debt/Liabilities:			165,800	-	35,067	130,733
Revenue and Other (non G.O.) Debt/Liabilities						
263.82	New Source Water Supply	6/1/2021	124,645	-	62,322	62,323
263.82	Hill Top Reservoir	6/1/2022	73,546	-	24,515	49,031
263.82	Alternative Filtration Plant	6/1/2025	242,250	-	40,375	201,875
263.82	Source Development & Improvements	10/1/2023	361,566	-	90,391	271,175
263.82	WWTP Sewer Improvements	6/1/2020	39,474	-	39,474	-
263.82	USDA Sewer Improvements	6/15/2001	874,326	-	24,485	849,841
263.82	USDA Sewer Lagoon Liner	9/28/2012	994,384	-	19,009	975,375
264.30	Net Pension Liability		352,223	-	49,009	303,214
259.12	Compensated Absences- Governmental		66,382	5,658	-	72,040
259.12	Compensated Absences- Proprietary		31,255	9,083	-	40,338
Total Revenue and Other (non G.O.) Debt/Liabilities:			3,160,051	14,741	349,580	2,825,212
Total Liabilities:			3,325,851	14,741	384,647	2,955,945

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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