



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

City of Sunnyside

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

Published December 31, 2024

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

December 31, 2024

Mayor and City Council
City of Sunnyside
Sunnyside, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Sunnyside January 1, 2023 through December 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

We reported findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See Finding 2023-01.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

City of Sunnyside January 1, 2023 through December 31, 2023

2023-001 The City did not have adequate internal controls for ensuring compliance with federal suspension and debarment requirements.

Assistance Listing Number and Title:	21.027, COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Federal Grantor Name:	U.S. Department of the Treasury
Federal Award/Contract Number:	N/A
Pass-through Entity Name:	N/A
Pass-through Award/Contract Number:	N/A
Known Questioned Cost Amount:	\$0
Prior Year Audit Finding:	N/A

Description of Condition

The purpose of the Coronavirus State and Local Fiscal Recovery Funds is to respond to the COVID-19 pandemic's negative effects on public health and the economy, provide premium pay to essential workers during the pandemic, provide government services to the extent COVID-19 caused a reduction in revenues collected, and make necessary investments in water, sewer or broadband infrastructure. In 2023, the City spent \$1,152,896 in program funds for government services.

Federal regulations require recipients to establish and maintain internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls.

Federal requirements prohibit recipients from contracting with or purchasing from parties suspended or debarred from doing business with the federal government.

Whenever the City enters into contracts or purchases goods or services that it expects to equal or exceed \$25,000, paid all or in part with federal funds, it must verify the contractors are not suspended, debarred or otherwise excluded from participating in federal programs. The City may verify this by obtaining a written certification from the contractor, adding a clause or condition into the contract that states the contractor is not suspended or debarred, or checking for exclusion records in the U.S. General Services Administration's System for Award Management at SAM.gov. The City must verify this before entering into the contract, and it must maintain documentation demonstrating compliance with this federal requirement.

Our audit found the City did not have adequate internal controls in place to verify that seven contractors it paid more than \$25,000 in federal funds were not suspended or debarred from participating in federal programs.

We consider this deficiency in internal controls to be a material weakness that led to material noncompliance.

Cause of Condition

The City experienced turnover in the City Manager position and other key financial positions; therefore, we were unable to determine a cause. However, it appears the City was unaware that this requirement is applicable to these types of purchases for this award due because it lacked documentation and verification checks.

Effect of Condition

The City did not obtain written certifications from the contractors, insert a clause into the contracts or check for exclusion records at SAM.gov to verify that seven contractors it paid \$410,211 using federal funds were not suspended or debarred before contracting. Without adequate internal controls, the City cannot ensure the contractors it paid with federal funds were eligible to participate in federal programs. Any program funds the City used to pay contractors that were suspended or debarred would be unallowable, and the awarding agency could potentially recover them. Because we subsequently verified the contractors were not suspended or debarred, we are not questioning costs.

Recommendation

We recommend the City strengthen internal controls to ensure all contractors it pays \$25,000 or more, all or in part with federal funds, are not suspended or debarred from participating in federal programs before contracting with or purchasing from them.

City's Response

The City of Sunnyside appreciates SAO staff and for their help in identifying opportunities for improvement. Most of the City's leadership (City Manager, Public Works Director, Police and Fire Chief) are new to their role and unfamiliar with specific laws pertaining to government procurement.

The Finance staff will work more closely with all departments to continue to ensure that employees are responsible for understanding and complying with applicable state and/or federal laws when purchasing and contracting on behalf of the City. The City's current Purchasing and Contracting policies will be updated to include additional information and checklists to help in ensuring the City meets all applicable state and/or federal laws.

Auditor's Remarks

We thank the City for its cooperation and assistance during the audit and acknowledge its commitment to improve the condition described. We will review the status of this issue during our next audit.

Applicable Laws and Regulations

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 180, OMB *Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)*, establishes nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689.

INDEPENDENT AUDITOR'S REPORT

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

City of Sunnyside January 1, 2023 through December 31, 2023

Mayor and City Council
City of Sunnyside
Sunnyside, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Sunnyside, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 30, 2024.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

December 30, 2024

INDEPENDENT AUDITOR'S REPORT

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

City of Sunnyside
January 1, 2023 through December 31, 2023

Mayor and City Council
City of Sunnyside
Sunnyside, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2023-01. Our opinion on each major federal program is not modified with respect to these matters.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2023-01, that we consider to be a material weakness.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

December 30, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Sunnyside January 1, 2023 through December 31, 2023

Mayor and City Council
City of Sunnyside
Sunnyside, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the City of Sunnyside, as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the financial section of our report.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Sunnyside, and its changes in cash and investments, for the year ended December 31, 2023, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Sunnyside, as of December 31, 2023, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "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 30, 2024

FINANCIAL SECTION

City of Sunnyside January 1, 2023 through December 31, 2023

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

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

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

		Total for All Funds (Memo Only)	001 GENERAL FUND	101 STREET FUND	120 INVESTIGATIVE FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	17,607,757	6,281,123	1,197,190	8,280
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	15,525,916	11,256,538	954,295	-
320	Licenses and Permits	428,339	423,975	4,364	-
330	Intergovernmental Revenues	5,819,776	701,171	4,386,208	-
340	Charges for Goods and Services	14,826,163	1,726,239	1,618	-
350	Fines and Penalties	149,286	144,377	-	-
360	Miscellaneous Revenues	1,078,556	390,083	34,944	11,521
Total Revenues:		37,828,036	14,642,383	5,381,429	11,521
Expenditures					
510	General Government	3,562,782	3,004,308	-	-
520	Public Safety	13,682,873	10,027,795	-	6,719
530	Utilities	9,329,910	-	-	-
540	Transportation	2,097,013	140,989	1,564,709	-
550	Natural/Economic Environment	493,475	292,241	-	-
560	Social Services	30,652	30,652	-	-
570	Culture and Recreation	1,433,904	1,433,904	-	-
Total Expenditures:		30,630,609	14,929,889	1,564,709	6,719
Excess (Deficiency) Revenues over Expenditures:		7,197,427	(287,506)	3,816,720	4,802
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,622,040	-	769,666	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	54,895	47,877	-	-
Total Other Increases in Fund Resources:		1,676,935	47,877	769,666	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	7,802,166	654,696	4,741,565	-
591-593, 599	Debt Service	1,923,161	74,217	-	-
597	Transfers-Out	1,622,040	1,609,240	2,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	55,693	55,693	-	-
Total Other Decreases in Fund Resources:		11,403,060	2,393,846	4,743,565	-
Increase (Decrease) in Cash and Investments:		(2,528,698)	(2,633,475)	(157,179)	4,802
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	6,858,225	2,917,887	1,040,011	13,082
50841	Committed	13,346	13,346	-	-
50851	Assigned	7,798,181	307,099	-	-
50891	Unassigned	409,322	409,322	-	-
Total Ending Cash and Investments		15,079,074	3,647,654	1,040,011	13,082

The accompanying notes are an integral part of this statement.

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

		130 POLICE DEPT CRIME PREVENTION	140 PUBLIC SAFETY (L&J 3/10) TAX FUND	160 TOURISM EXPANSION FUND	170 DEVELOPMENT FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	62,194	446,561	279,448	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	613,492	146,542	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	18,526	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	4,909	-	-	-
360	Miscellaneous Revenues	7,344	15,102	9,089	-
Total Revenues:		30,779	628,594	155,631	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	15,603	456,115	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	32,900	128,367	39,967
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		15,603	489,015	128,367	39,967
Excess (Deficiency) Revenues over Expenditures:		15,176	139,579	27,264	(39,967)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	250	-	500,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	250	-	500,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		15,176	139,829	27,264	460,033
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	77,372	586,392	306,711	460,033
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		77,372	586,392	306,711	460,033

The accompanying notes are an integral part of this statement.

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

		201 GENERAL OBLIGATION BONDS FUND	303 COMMUNITY DEVELOPMENT	304 LOCAL CAPITAL IMPROVEMENT	305 LOCAL CAPITAL IMPROVEMENT
Beginning Cash and Investments					
308	Beginning Cash and Investments	6,986	43,991	486,972	564,689
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	455,920	-	216,717	142,758
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	362	13,848	25,066
Total Revenues:		455,920	362	230,565	167,824
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		455,920	362	230,565	167,824
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	217,550	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		217,550	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	188,694	91,357
591-593, 599	Debt Service	672,962	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		672,962	-	188,694	91,357
Increase (Decrease) in Cash and Investments:		508	362	41,871	76,467
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	44,353	528,842	641,156
50841	Committed	-	-	-	-
50851	Assigned	7,495	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		7,495	44,353	528,842	641,156

The accompanying notes are an integral part of this statement.

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

		322 FIRE EQUIPMENT RESERVE	326 FIRE CAPITAL PROJECTS	410 WATER FUND	420 SEWER FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	214	2,585	1,471,971	1,763,426
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	3,743,353	4,237,427
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	15	-	71,823	66,089
Total Revenues:		15	-	3,815,176	4,303,516
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	3,304,085	3,238,511
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	3,304,085	3,238,511
Excess (Deficiency) Revenues over Expenditures:		15	-	511,091	1,065,005
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	778
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	778
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	1,313,174	252,029
591-593, 599	Debt Service	-	-	378,000	747,839
597	Transfers-Out	-	-	3,200	3,600
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	1,694,374	1,003,468
Increase (Decrease) in Cash and Investments:		15	-	(1,183,283)	62,315
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	2,585	119,939	119,479
50841	Committed	-	-	-	-
50851	Assigned	229	-	168,749	1,706,264
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		229	2,585	288,688	1,825,743

The accompanying notes are an integral part of this statement.

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

		430 GARBAGE FUND	440 AMBULANCE/E MS FUND	450 STORMWATER FUND	501 EQUIPMENT RENTAL FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	217,223	3,550,753	102,801	1,111,933
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	1,739,654	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	581,371	132,500	-
340	Charges for Goods and Services	2,554,379	875,901	296,985	832,752
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	8,048	404,080	4,106	17,036
Total Revenues:		2,562,427	3,601,006	433,591	849,788
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	3,176,641	-	-
530	Utilities	2,447,039	-	340,275	-
540	Transportation	-	-	-	391,315
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,447,039	3,176,641	340,275	391,315
Excess (Deficiency) Revenues over Expenditures:		115,388	424,365	93,316	458,473
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	73,262	-	420
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	7,018
Total Other Increases in Fund Resources:		-	73,262	-	7,438
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	560,651
591-593, 599	Debt Service	-	-	-	50,143
597	Transfers-Out	-	3,600	-	400
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	3,600	-	611,194
Increase (Decrease) in Cash and Investments:		115,388	494,027	93,316	(145,283)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	383	-
50841	Committed	-	-	-	-
50851	Assigned	332,612	4,044,783	195,737	966,650
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		332,612	4,044,783	196,120	966,650

The accompanying notes are an integral part of this statement.

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

		504
		INFORMATION
		TECHNOLOGY
Beginning Cash and Investments		
308	Beginning Cash and Investments	9,417
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	557,509
350	Fines and Penalties	-
360	Miscellaneous Revenues	-
Total Revenues:		557,509
Expenditures		
510	General Government	558,474
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		558,474
Excess (Deficiency) Revenues over Expenditures:		(965)
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	60,114
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		60,114
Other Decreases in Fund Resources		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		-
Increase (Decrease) in Cash and Investments:		59,149
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	68,563
50891	Unassigned	-
Total Ending Cash and Investments		68,563

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	Private-Purpose Trust	Custodial
308	Beginning Cash and Investments	180,420	4,509	175,911
388 & 588	Net Adjustments	-	-	-
310-390	Additions	982,217	-	982,217
510-590	Deductions	920,438	-	920,438
	Net Increase (Decrease) in Cash and Investments:	61,779	-	61,779
508	Ending Cash and Investments	242,197	4,509	237,688

The accompanying notes are an integral part of this statement.

City of Sunnyside – MCAG 0846
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 – Summary of Significant Accounting Policies

The City of Sunnyside was incorporated on September 16, 1902 and operates under the laws of the state of Washington applicable to a code city. The City is a general purpose local government and provides Police, Fire & Emergency Medical, Jail, Municipal Court, Street, Water, Sewer, Garbage, Stormwater, Building & Development, and Parks & Recreation services to the residents of Sunnyside.

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

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

A. Fund Accounting

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

Governmental Fund Types:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

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

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

C. Cash and Investments

See **Note 3 – Deposits and Investments**.

D. Capital Assets

The City of Sunnyside does not have a capital asset policy, but evaluates purchases for cost and useful life to determine whether to designate assets as capital. Typically, an asset with a purchase price more than

\$7,500 and a useful life of more than one year will be considered for capitalization. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation and sick leave may be accumulated and payable upon separation or retirement for employees based on the stipulations of the union contracts or the personnel policy manual. Payments are recognized as expenditures when paid. The City's unpaid leave liability at of 12/31/2023 is \$955,435. The terms for each contract are as follows:

Contract Group	Vacation Accrual Cap	Separation Cash Value	Sick Leave Accrual Cap	Separation Cash Value
Non-represented	300 hours	100% of accrual not to exceed the cap, paid at the employee's regular rate of pay	960 hours	Upon retirement, 25% of accrual paid at the employee's regular rate of pay
Clerical	300 hours	100% of accrual not to exceed 240 hours, paid at the employee's regular rate of pay	1,040 hours	Upon retirement with at least 10 years of service, 25% of accrual paid at the employee's regular rate of pay
Fire	360 hours	100% of accrual not to exceed the cap, paid at the employee's regular rate of pay	1,440 hours	25% of accrual upon separation paid at the employee's regular rate of pay, increased to 30% for retirement or death
Division Supervisors	300 hours	100% of accrual not to exceed 240 hours, paid at the employee's regular rate of pay	1,040 hours	Upon retirement with at least 10 years of service, 25% of accrual paid at the employee's regular rate of pay
Public Works	300 hours	100% of accrual not to exceed 240 hours, paid at the employee's regular rate of pay	1,040 hours	Upon retirement with at least 10 years of service, 25% of accrual paid at the employee's regular rate of pay
Police Guild	360 hours	100% of accrual not to exceed the cap, paid at the employee's regular rate of pay	960 hours	25% of accrual upon separation paid at the employee's regular rate of pay, increased to 30% for retirement or death
Police Support	360 hours	100% of accrual not to exceed the cap, paid at the employee's regular rate of pay	960 hours	Upon retirement with at least 10 years of service, 25% of accrual paid at the employee's regular rate of pay

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 ordinance or resolution of the City Council. When expenditures that meet restrictions are incurred, the City of Sunnyside intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of the following:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
001 GENERAL FUND	2,917,887	13,346	2,931,233	\$2,917,887 SLFRF funds and \$13,346 Various Restrictions and Commitments-Capital and Contingency
101 STREET FUND	1,036,164		1,036,164	Special Revenue-Federal, State, and Local Restrictions

Restricted and Committed, continued

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
120 INVESTIGATIVE FUND	13,082		13,082	Special Revenue-Ordinance 2009-14
130 CRIME PREVENTION FUND	77,372		77,372	Special Revenue-Ordinance 1986-1559
140 PUBLIC SAFETY FUND	586,392		586,392	Special Revenue-RCW 82.14.450
160 TOURISM EXPANSION FUND	306,711		306,711	Special Revenue-RCW 67.28.1816
170 DEVELOPMENT FUND	460,033		460,033	Special Revenue-Ordinance 2023-25
303 CDBG FUND	44,353		44,353	Federal Grant Revenue-Federal Restriction on Use of Funds
304 REET 1 FUND	522,151		522,151	Capital Improvement Restrictions-RCW 82.46.010
305 REET 2 FUND	641,156		641,156	Capital Improvement Restrictions-RCW 82.46.035
326 FIRE CAPITAL PROJECTS FUND	2,585		2,585	Capital Commitment
410 WATER FUND	119,940		119,940	Bond Covenant
420 SEWER FUND	119,479		119,479	Bond Covenant
450 STORMWATER FUND	383		383	Capital Commitment
621 POLICE DEPT HONOR GUARD	4,509.19		4,509	Fiduciary Fund
630 CUSTODIAL HOLDING FUND	84,971.40		84,971	Fiduciary Fund
631 JAIL CUSTODIAL FUND	64,182.19		64,182	Fiduciary Fund
632 SUNNYSIDE COURT CUSTODIAL FUND	88,535.38		88,535	Fiduciary Fund
<i>Totals</i>	<i>\$4,257,540</i>	<i>\$13,346</i>	<i>\$4,270,887</i>	

Note 2 – Budget Compliance

The City of Sunnyside adopts annual appropriated budgets for 19 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	Explanation of Variances
001 GENERAL FUND	20,295,300	17,323,731	2,971,569	ARPA Funding Allocated but not Expended
101 STREET FUND	7,755,590	7,248,637	506,953	Capital Project Funding Allocated but not Expended
120 INVESTIGATIVE FUND	11,800	6,719	5,081	
130 CRIME PREVENTION FUND	28,180	15,602	12,578	
140 PUBLIC SAFETY FUND	642,520	489,013	153,507	
160 TOURISM EXPANSION FUND	163,160	128,367	34,793	
170 DEVELOPMENT FUND	65,000	39,967	25,033	
201 GO BONDS FUND	673,470	672,962	509	
303 CDBG FUND	70	0	70	
304 REET 1 FUND	312,310	195,385	116,925	Capital Project Funding Allocated but not Expended
305 REET 2 FUND	537,780	91,356	446,424	Capital Project Funding Allocated but not Expended

Budget Compliance, continued

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
322 FIRE EQUIPMENT FUND	0	0	0	
326 FIRE CAPITAL PROJECTS FUND	0	0	0	
410 WATER FUND	7,057,190	6,370,494	686,696	Capital Project Funding Allocated but not Expended
420 SEWER FUND	4,701,910	4,606,165	95,745	
430 GARBAGE FUND	2,525,700	2,447,038	78,662	
440 AMBULANCE/EMS FUND	3,761,840	3,180,239	581,601	Capital Project Funding Allocated but not Expended
450 STORMWATER FUND	331,690	329,734	1,956	
501 EQUIPMENT RENTAL FUND	1,091,480	1,002,509	88,971	
504 INFORMATION TECHNOLOGY FUND	817,790	558,477	259,313	Capital Project Funding Allocated but not Expended
<i>Totals</i>	<i>\$50,772,780</i>	<i>\$44,706,395</i>	<i>\$6,066,385</i>	

Budgeted amounts are authorized to be transferred within funds; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City Council. The budget was amended throughout the year to accommodate updated forecasting of revenues and expenditures, changes to staffing and wages, and enhancements approved by the City Council. Amendments were approved by with the following ordinances:

Title for Disclosure	Details for Disclosure
Budget Amendment #1	Ordinance 2023-06 Passed by the City Council 4/10/2023
Budget Amendment #2	Ordinance 2022-13 Passed by the City Council 8/14/2023
Budget Amendment #3	Ordinance 2022-25 Passed by the City Council 12/11/2023

Note 3 – Deposits and Investments

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

Type of Deposit or Investment	City's own deposits & investments	Deposits & investments held as custodian	Combined
Bank Deposits	4,555,264	209,618	4,764,881
Local Government Investment Pool	4,264,949		4,264,949
US Government Securities in Safekeeping	7,464,224		7,464,224
<i>Totals</i>	<i>\$16,284,436</i>	<i>\$209,618</i>	<i>\$16,494,053</i>

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds that purchased the investment, based on the City's analysis of required liquidity.

Investments in the State Local Government Investment Pool (LGIP)

The City of Sunnyside is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and

not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

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

Custodial Credit Risk

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

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

Note 4 – Environmental and Certain Asset Retirement Liabilities

The City of Sunnyside's municipal airport was found to have herbicide and pesticide residue from previous agricultural activities. Under the state law, the Department of Ecology named the City of Sunnyside as potentially responsible for remediation. The City of Sunnyside is working with the Department of Ecology to conduct a Remedial Investigation, Feasibility Study, and to clean up the site. The City of Sunnyside recorded \$228,746 as pollution remediation liability on the Schedule of Liabilities. During 2023, the City of Sunnyside had no expenditures for the clean-up.

Note 5 – Joint Ventures, Component Unit(s), and Related Parties

Title for Disclosure	Details for Disclosure
Ambulance Transport Services - Astria Sunnyside Hospital	This joint venture has been in existence since at least 2010. The City provides ambulance services for the hospital should a patient need to be transported to another facility. The current contract was effective through December 31 2019 and under auto-renew for four successive one-year terms until December 31, 2023. The hospital is billed quarterly in the amount of \$63,720, for a total annual amount of \$254,880.
School Resource Officers - Sunnyside School District	This joint venture has been in existence since May 2000. The City provides police officers to serve as school resource officers to all the schools within the Sunnyside School District. The current contract terminated on July 31, 2021, with automatic renewal for successive one-year terms until either party exercises its right to terminate the agreement. The school district is billed for 50% of all expenses associated with the SRO. The amount billed in 2023 was \$73,808.79.
Emergency Medical Transport Services - City of Grandview	This joint venture has been in existence since July 2019. The City provides 24-hour ambulance services to the City of Grandview and makes available any medical transport vehicles, equipment and personnel. The current contract runs through December 31, 2024, however the parties began negotiation over the contract in March of 2023. Due to the negotiations and availability of services, payments were delayed in 2023 and negotiated at a discount. The City of Grandview was billed for services for 2023 in the negotiated amount of \$126,375. Payments resumed for services at the regular contract rate beginning in January 2024, with the understanding that the contract will likely be cancelled at the end of the current period.

Joint Ventures, continued

Municipal Court Services - City of Toppenish

This joint venture has been in existence since June 2017. The City provides municipal court services to the City of Toppenish. The current contract terminated on December 31, 2018, but is allowed to auto-renew for successive one-year terms beginning January 1 of each year. The City of Toppenish is billed according to the percentage of cases processed through the Court per month. In 2023, the City of Toppenish was billed \$388,080.14 for municipal court services.

Communication/Dispatch Services - City of Toppenish

This joint venture has been in existence since December 2021. The City provides dispatch services for the City of Toppenish. The current contract runs through December 31 2025 and shall automatically renew for successive one-year terms beginning January 1 of each year. The rate for services is \$16,333 per month and will increase annually to coincide with the Dispatch CBA salary scale with a maximum ceiling of 0.5% above the corresponding salary increase. The City of Toppenish was billed in the amount of \$231,928.60 for dispatch services in 2023.

Note 6 – Leases (Lessees)

The City of Sunnyside adopted guidance for the presentation and disclosure of leases, as required by the BARS manual, which requires the addition of a lease liability reported on the Schedule of Liabilities. The City of Sunnyside leases office equipment from Copiers Northwest and Pitney Bowes, which both have five year lease terms, which expire in September of 2027 and March of 2028 respectively. Additionally, in 2023 the City began a fleet vehicle lease program with Enterprise Fleet Vehicles, where vehicles are leased individually with five year terms, with the option to retain or return the vehicles. Currently the City has 10 vehicle leases expected to expire in 2028. The City is in the process of transitioning the entire fleet to the new program, and is currently phasing in vehicles.

The total amount paid for leases in 2023 was \$122,314.55. As of December 31, 2023, the future lease payments under contract are as follows:

Year	Lease Payments
2024	232,028.04
2025	232,028.04
2026	232,028.04
2027	144,288.30
2028	42,935.42
2029-2033	0
<i>Total</i>	<i>\$883,307.84</i>

Note 7 – Long-Term Debt

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

The debt service requirements are as follows:

Principal & Interest Schedule by Year			
Year	Principal	Interest	Total
2024	1,811,838.55	218,599.61	2,030,438.16
2025	1,838,739.87	190,988.06	2,029,727.93
2026	1,570,928.98	156,313.18	1,727,242.16
2027	1,295,436.75	122,092.04	1,417,528.79
2028	569,347.74	86,217.38	655,565.12
2029-2033	1,350,000.00	123,750.00	1,473,750.00
2034-2038	-	-	-
Total	8,436,291.89	897,960.27	9,334,252.16

A. Assets Pledged as Collateral for Debt

US Bank Loan #10 is secured by assets that are pledged as collateral, in the form of three vehicles. The remaining amount due on this loan is \$97,887.39.

B. Significant Debt Terms

US Bank Loan #10, used to purchase the three police vehicles listed above, contains a clause stating that default on this loan may result in repossession of the vehicles.

Note 8 – Other Disclosures

Contingencies and Litigations

- Evaristo Salas Jr was convicted of first-degree murder in 1996 and sentenced to just under 33 years in prison when he was 15 years old based on an investigation conducted by the Sunnyside Police Department. Having served approximately 27 years in prison, the charges against Mr. Salas were dismissed and he was released from prison in August of 2023. Due to the dismissal and review of the case, there is a high likelihood that this will lead to a claim filed against the City for significant damages. At this time, there is no estimate on a potential judgment or settlement against the City.
- The City has a lawsuit over a Crime-Free Rental Housing Program, which is in appeals with the Washington State Supreme Court. The suit was filed by the Washington State Attorney General's Office. The City is aware of a high-profile criminal conviction from 1990s being reviewed for new trial. Likelihood of either suit having financial impacts on the City are unknown at this time.
- In February 2021, the Washington State Supreme Court ruled in State v. Blake that the state's law criminalizing drug possession was unconstitutional. As a result, any convictions related to the law qualifies to be vacated from one's criminal record and any legal financial obligations paid as a result qualify for financial reimbursement. At this time, the City of Sunnyside does not have the information necessary to estimate the potential liability. The State of Washington has allocated funds to jurisdictions impacted by the decision, and the City will be able to draw from those funds to cover some of the liability. The City has the potential to receive reimbursement for up to \$275,633 for liability payments, but at this time the City has not paid out or received reimbursement on any of the impacted cases.

Special Items

- The Washington State Attorney General has participated in an ongoing series of lawsuits aimed at battling the opioid crisis, and thus far, the City of Sunnyside has been allocated approximately \$628,120. While the amount has been allocated from the various settlements, as of December 31, 2023, the City has only received \$9,962.02. The use of the funds is restricted to certain uses and must be consistent with the state Opioid and Overdose Response Plan. At this time, the City has not determined how it intends to use the funds.

Note 9 – Other Postemployment Benefits

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City of Sunnyside as required by RCW 41.26.150. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2023, the plan had six (6) members, all retirees. Additionally, the City pays medical expenses for one (1) pre-LEOFF retiree.

As of December 31, 2023, the City of Sunnyside's total OPEB liability was \$3,708,519, as calculated using the alternative measurement method. For the year ended December 31, 2023, the City of Sunnyside paid \$88,448 in medical benefits for the 7 retirees.

Note 10 – Pension Plans

A. State Sponsored Pension Plans

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

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

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

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

At June 30, 2023 (the measurement date of the plans), the City's proportionate share of the collective net pension liabilities (assets), was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1	198,296	0.029100%	2,282,732,000	664,275	
PERS 2/3	325,147	0.036981%	(4,098,683,000)		(1,515,734)
PSERS 2/3	4,899	0.009730%	(106,039,000)		(10,318)
LEOFF 1	0	0.021147%	(2,968,024,000)		(627,648)
LEOFF 2	252,203	0.111734%	(2,398,598,000)		(2,680,049)
VFFRPF	180	0.103360%	(19,931,000)		(20,601)
Totals				\$664,275	\$(4,854,350)

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

LEOFF Plan 1

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

LEOFF Plan 2

The City of Sunnyside 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.

B. Pre-LEOFF Pension Plan

The City of Sunnyside is the administrator of a pension retirement system called the Firemen's Relief and Pension Fund. At this time, the City is not paying any pension amounts to retirees but does reimburse for medical coverage of one individual.

C. Defined Contribution Pension Plans

The City of Sunnyside contributes to other pension or retirement plans based on the terms of the various collective bargaining agreements and the Personnel Policy Manual. 2023 contributions were:

Plan Name	Description	Contribution Rates	Employer Contribution
ICMA-RC/Mission Square - 457 Match	Deferred Compensation Match	3%	94,637
Great West/Empower - 457 Match	Deferred Compensation Match	1 - 3%	36,172
Pension Trust	Defined Contribution Pension	Flat Hourly Amount	75,424
<i>Total</i>			<i>\$206,232</i>

Note 11 – Property Tax

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

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

The City of Sunnyside's regular levy for the year 2023 was \$1.93865638 per \$1,000 on an assessed valuation of \$1,304,536,617 for a total regular levy of \$2,529,393.31. In addition, the City has a voter-approved excess levy for payment of General Obligation Bonds for an additional levy amount of \$0.34987993 per \$1,000 on excess valuation of \$1,301,660,827 for a total additional levy of \$455,425.

Note 12 – Risk Management

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

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

Liability coverage is written on an occurrence basis, without deductibles [1]. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

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

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

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

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

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

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

Note 13 – SBITA (Lessees)

During the year ended 2023, the City of Sunnyside adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements, as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities. The City of Sunnyside makes subscription payments for software programs for general ledger accounting, permitting and licensing, and public safety visual data.

As of December 31, 2023, the future SBITA payments are as follows:

Year	Subscription Payments
2024	186,230.00
2025	186,230.00
2026	142,580.00
2027	142,580.00
2028	103,500.00
2029-2033	-
2034-2038	-
<i>Total</i>	<i>\$761,120.00</i>

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2017 LTGO Refunding Bond (Taxible)	12/1/2027	995,000	-	185,000	810,000
251.11	2012 (A) LTGO Bond	12/1/2031	3,460,000	-	305,000	3,155,000
263.56	Postage Machine - Pitney Bowes	6/30/2028	1,018	9,090	2,746	7,362
263.56	Copier - Wells Fargo	10/4/2027	253,964	-	51,123	202,841
263.56	Enterprise Fleet Vehicle Leases	10/1/2028	-	508,397	65,738	442,659
263.56	Axon Police Equipment	12/31/2026	-	296,868	74,218	222,650
Total General Obligation Debt/Liabilities:			4,709,982	814,355	683,825	4,840,512
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	2017 Water/Sewer Revenue Refinance	12/1/2027	1,066,000	-	204,000	862,000
259.12	Compensated Absenses		972,738	-	17,303	955,435
263.52	US Bank #10, Police Vehicles	11/1/2025	145,657	-	47,769	97,888
263.82	DWSRF Loan	10/1/2025	782,839	-	260,946	521,893
263.82	Ecology Loan*	4/16/2027	2,856,151	-	634,699	2,221,452
263.93	Sunnyside Municipal Airport Pesticide Spray Shed		228,746	-	-	228,746
264.30	Pension Liabilities Department of Retirement		759,464	-	95,189	664,275
264.40	LEOFF I Retiree, OPEB		3,726,593	-	18,074	3,708,519
Total Revenue and Other (non G.O.) Debt/Liabilities:			10,538,188	-	1,277,980	9,260,208
Total Liabilities:			15,248,170	814,355	1,961,805	14,100,720

City of Sunnyside
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	COVID 19 - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106		-	68,200	68,200	-	1,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Department of Transportation)	Highway Planning and Construction	20.205	STPUS-6335	3,472,844	-	3,472,844	-	1,3
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	2023-HVE-4694 -Region 13 Target Zero	1,311	-	1,311	-	1,3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Association of Sheriffs and Police Chiefs)	National Priority Safety Programs	20.616	2023-HVE-4694 -Region 13 Target Zero Task Force	5,600	-	5,600	-	1,3
Total Highway Safety Cluster:				6,911	-	6,911	-	

The accompanying notes are an integral part of this schedule.

City of Sunnyside
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	1,152,896	1,152,896	-	1,3
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498		-	218,421	218,421	-	1,3
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT (via Yakima County)	High Intensity Drug Trafficking Areas Program	95.001	G20NW006A	2,128	-	2,128	-	1,3
Total Federal Awards Expended:				3,481,883	1,439,517	4,921,400	-	

The accompanying notes are an integral part of this schedule.

City of Sunnyside

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

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the City of Sunnyside's financial statements. The City of Sunnyside uses single-entry, cash basis accounting which is a departure from generally accepting accounting principles (GAAP).

Note 2 – Federal Indirect Cost Rate

The City of Sunnyside has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Program Costs

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



City of Sunnyside
818 East Edison Avenue
Sunnyside, Washington 98944

CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

City of Sunnyside
January 1, 2023 through December 31, 2023

This schedule presents the corrective action planned by the City for findings reported in this report in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finding ref number: 2023-001	Finding caption: The City did not have adequate internal controls for ensuring compliance with federal suspension and debarment requirements.
Name, address, and telephone of City contact person: Debbie Zabell, Deputy City Manager/Finance 818 East Edison Avenue Sunnyside, WA 98944 (509) 837-3268	
Corrective action the auditee plans to take in response to the finding: <i>The Finance staff will work more closely with all departments to continue to ensure that employees are responsible for understanding and complying with applicable state and/or federal laws when purchasing and contracting on behalf of the City.</i> <i>The City's current Purchasing and Contracting Policies will be updated to include additional information and checklists to help in ensuring the City meets all applicable state and/or federal laws, specifically:</i> <ul style="list-style-type: none"> • <i>The city's project lead will verify and provide documentation that all applicable contractors and/or vendors are not suspended or debarred.</i> • <i>Applicable city contracts will include a clause or condition that states the contractor is not suspended or debarred.</i> 	
Anticipated date to complete the corrective action: <i>January 2, 2025</i>	

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.

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