



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Granger

For the period January 1, 2023 through December 31, 2024

Published May 7, 2026

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

May 7, 2026

Mayor and City Council
City of Granger
Granger, Washington

Report on Financial Statements

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF AUDIT FINDINGS AND RESPONSES

City of Granger

January 1, 2023 through December 31, 2024

2024-001 The City did not have adequate internal controls ensuring accurate reporting of its financial statements and did not monitor its budget, resulting in noncompliance with state law.

Background

State and federal agencies, the City Council, Mayor and the public rely on information included in the financial statements and reports to make decisions. Management is responsible for designing and following internal controls that provide reasonable assurance its financial reporting is reliable and the financial statements and notes to financial statements are accurate.

The City prepares its financial statements in accordance with the cash-basis accounting method prescribed in the State Auditor's Office's Budgeting, Accounting and Reporting System (BARS) Manual.

State law requires the City to adopt an appropriated budget. The City may amend the budget during the fiscal period to ensure the actual expenditures do not exceed the appropriated budget. It is City management's responsibility to monitor and ensure compliance with the appropriated budget and state law.

Our audit found deficiencies in internal controls over accounting and financial reporting that affected the City's ability to produce reliable financial statements. Government Auditing Standards requires the State Auditor's Office to communicate material weaknesses as a finding.

Description of Condition

We found the following deficiencies in internal controls that represent a material weakness. Specifically, the City did not:

- Comply with its approved 2023 and 2024 budgets. The City adopts an annual budget at the fund level and did not effectively monitor expenditures to ensure it would not exceed its authorized budgets.
- Adequately research BARS Manual accounting requirements to properly classify ending cash and investments.

- Research the differences between the 2023 beginning cash and investments with the 2022 ending cash and investments due to the software conversion and did not retain support for prior period adjustments in 2023
- Establish an independent review of year-end adjustments, financial statements, notes and Schedule of Liabilities

Cause of Condition

The City has experienced turnover in its Clerk-Treasurer position. This position is responsible for monitoring financial activities to ensure funds have the available budget to cover expenses before payment. This position is also responsible for preparing the financial statements, notes and required schedules.

The City also underwent a general ledger software system conversion in 2023. The City was unable to dedicate sufficient time and resources to ensure accurate financial reports.

Effect of Condition

As a result of the internal control deficiencies, the City’s financial information contained errors that management did not detect.

The City overspent approved budgets for five funds totaling \$1,095,855 in 2023 and six funds totaling \$674,303 in 2024. This is detailed in the table below:

For year ended December 31	Amount of expenses that exceeded the budget	
	2023	2024
Fund		
Current expense fund	\$66,157	-
Street fund	\$985,135	\$304,572
Garbage fund	\$27,235	\$113,922
Water fund	\$17,328	\$24,164
Sewer fund	-	\$211,298
Irrigation fund	-	\$20,347

The City’s noncompliance with state laws had a direct and material effect on its 2023 and 2024 financial statements. As a result, the City risks not being able to meet future financial obligations or continue operations at current service levels.

In addition, we identified the City:

In 2023:

- Incorrectly classified assigned cash and investments as restricted in the water and garbage fund by \$304,820 and \$129,169, respectively

- Incorrectly classified unassigned cash and investments in the current expense fund as committed by \$10,351 and assigned by \$8,881
- Incorrectly reported prior period adjustments totaling \$55,957 and overreported expenses by the same amount
- Incorrectly classified \$56,609 as private purpose trust fund when it should have reported the activity in the general fund

In 2024:

- Incorrectly classified assigned cash and investments in the water fund as negative unassigned by \$31,250 and restricted by \$165,895
- Incorrectly classified assigned cash and investments as unassigned in the garbage fund by \$117,412
- Incorrectly classified \$58,188 as private purpose trust fund when it should have reported the activity in the general fund

The City subsequently corrected these errors.

We also identified other immaterial errors in the statements, notes and required schedules.

Recommendation

We recommend the City:

- Monitor and comply with its approved budget including obligating expenditures only when funds have the available resources and budget
- Establish a technical review process for the financial statements, notes and schedules to ensure they are accurate, supported, classified and reported in accordance with the BARS Manual
- Report fund activity in the correct fund type and review BARS Manual accounting changes to ensure they are implemented and reported correctly

City's Response

The City of Granger values the insight provided by the State Auditor's Office. We are committed to maintaining the highest standards of fiscal accountability. In response to the recommendations regarding budget monitoring, technical review, and BARS manual compliance, the City has implemented the following measures:

1. Budgetary Monitoring and Expenditure Controls

To ensure that all expenditures are obligated only when funds have available resources, the City will adopt a "Check-Before-Spend" protocol:

- **Encumbrance Accounting:** The City will utilize its financial management software to track "encumbrances." This ensures that funds are "locked" at the time of a purchase order, preventing the over-obligation of any budget line item.
- **Monthly Compliance Reports:** The Finance Department will generate monthly budget-to-actual reports. These will be reviewed by the Mayor and presented to the City Council monthly to ensure that every department remains within its approved legislative appropriation.

2. Technical Review Process for Financial Statements

The City has established a multi-layered technical review process to ensure that financial statements, notes, and schedules are accurate and supported:

- **The "Double-Check" System:** All year-end financial statements and the Schedule of Liabilities (Schedule 09) now undergo a triple review. The Clerk I position prepares the schedule, while the City Clerk/Treasurer verifies the data against the general ledger, and the Mayor certifies the financial schedule.
- **Audit-Ready Documentation:** The City now maintains a centralized digital repository for all supporting documentation (bank statements, grant awards, and loan agreements). This ensures that every figure on a financial schedule is "audit-ready" and fully supported by evidence.

3. BARS Manual Compliance and Fund Reporting

To correct past issues with fund classification (such as the private-purpose trust fund misclassification), the City has initiated:

- **BARS Alignment Audit:** The City Clerk-Treasurer conducted and continues to conduct on an ongoing basis a total review of the City's Chart of Accounts to ensure all funds are mapped to the correct BARS codes.
- **Annual Training Requirement:** Finance staff are now required to attend SAO's annual **BARS Update Webinars**. Upon each update, the City will perform a "Gap Analysis" to ensure any changes in accounting for leases, pensions, or fiduciary activities are implemented correctly before the year-end filing.
- **Implementation Timeline**

Action Item	Responsibility	Status	Completion Date
New Financial Software (Springbrook)	Finance Dept	Complete	Dec 2025

Secondary Review Checklist	<i>Mayor / City Clerk- Treasure/Clerk I</i>	Active	<i>Monthly</i>
2025 Annual Report Filing	<i>Finance Dept</i>	In-Progress	<i>May 30, 2026</i>

Auditor’s Remarks

We appreciate the City’s commitment to resolving the issues identified above. We will follow up on the status of the finding during the next regularly scheduled audit.

Applicable Laws and Regulations

Government Auditing Standards, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

The *Budgeting, Accounting and Reporting System* (BARS) Manual, 3.1.3, Internal Control, requires each local government to establish and maintain an effective system of internal controls that provides reasonable assurance that the government will achieve its objectives.

RCW 35A.33.120 Funds—Limitations on expenditures—Transfers and adjustments.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

City of Granger January 1, 2023 through December 31, 2024

This schedule presents the status of findings reported in prior audit periods.

Audit Period: January 1, 2020 through December 31, 2022	Report Ref. No.: 1035376	Finding Ref. No.: 2022-001
Finding Caption: The City's internal controls over preparing financial statements were inadequate for ensuring accurate reporting.		
Background: Our audit found deficiencies in the City's internal controls over financial reporting that, when taken together, represent a significant deficiency. Specifically, the City did not: <ul style="list-style-type: none"> • Establish an independent review of year-end adjustments, financial statements, notes and Schedule of Liabilities • Adequately research BARS Manual accounting requirements for ending cash and investment classification and new accounting standards • Establish procedures to ensure it performed bank reconciliations accurately and retained bank statements for all accounts 		
Status of Corrective Action: (check one) <input type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input checked="" type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>1. As the City Clerk for the City of Granger and the preparer for the deficiency mentioned, I am continuing to develop my knowledge of the review of year-end adjustments, including understanding when they are required and the reasons for them. I am still undertaking training to build my skills in preparing financial statements notes and preparing the schedule of liabilities to ensure accuracy, to be in compliant and be effective.</i> <i>2. As City Clerk I continue to learn how to research certain requirements for the ending cash and investments classification and to research when new accounting standards have been implemented.</i> <i>3. City of Granger has not implemented a procedure on performing bank reconciliations but does follow step by step how to reconcile monthly and accurately, we do plan to adopt a procedure/policy on bank reconciliation. Having new software that actually has a portion to be able to reconcile on the software and not just on paper. On retaining bank statements, we have put it in a process to make sure we are saving statements via PDF in our system and not just paper format.</i>		

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 Granger January 1, 2023 through December 31, 2024

Mayor and City Council
City of Granger
Granger, 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 Granger, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated April 29, 2026.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

However, we identified certain deficiencies in internal control, as described in the accompanying Schedule of Audit Findings and Responses as Finding 2024-001, that we consider to be a material weakness.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Audit Findings and Responses as Finding 2024-001.

CITY'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

April 29, 2026

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Granger January 1, 2023 through December 31, 2024

Mayor and City Council
City of Granger
Granger, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the City of Granger, as of and for the years ended December 31, 2024 and 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 Granger, and its changes in cash and investments, for the years ended December 31, 2024 and 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 Granger, as of December 31, 2024 and 2023, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2026 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

April 29, 2026

City of Granger
January 1, 2023 through December 31, 2024

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2024
Fund Resources and Uses Arising from Cash Transactions – 2023
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2024
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2023
Notes to Financial Statements – 2024
Notes to Financial Statements – 2023

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2024
Schedule of Liabilities – 2023

City of Granger
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024

		Total for All Funds (Memo Only)	001 CURRENT EXPENSE	100 STREETS	120 EMS FIRE DEPARTMENT
Beginning Cash and Investments					
308	Beginning Cash and Investments	787,528	(21,023)	(143,858)	81,064
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,840,866	1,542,050	15,202	50,153
320	Licenses and Permits	145,209	143,842	900	-
330	Intergovernmental Revenues	630,278	219,709	391,847	-
340	Charges for Goods and Services	2,423,037	120,710	-	-
350	Fines and Penalties	58,023	24,143	-	-
360	Miscellaneous Revenues	84,592	54,000	5,184	-
Total Revenues:		5,182,005	2,104,455	413,133	50,153
Expenditures					
510	General Government	505,748	505,748	-	-
520	Public Safety	1,295,592	1,108,522	-	44,579
530	Utilities	2,399,263	-	-	-
540	Transportation	229,693	-	229,693	-
550	Natural/Economic Environment	245,007	244,814	-	-
560	Social Services	1,092	1,092	-	-
570	Culture and Recreation	158,239	155,912	-	-
Total Expenditures:		4,834,634	2,016,088	229,693	44,579
Excess (Deficiency) Revenues over Expenditures:		347,371	88,366	183,440	5,573
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	293,675	144,000	99,675	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	19,103	14,139	-	-
Total Other Increases in Fund Resources:		312,778	158,139	99,675	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	356,647	-	303,067	6,965
591-593, 599	Debt Service	164,460	-	-	-
597	Transfers-Out	293,675	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	85,052	80,888	-	-
Total Other Decreases in Fund Resources:		899,834	80,888	303,067	6,965
Increase (Decrease) in Cash and Investments:		(239,685)	165,617	(19,952)	(1,392)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	458,671	-	-	79,672
50841	Committed	10,642	10,642	-	-
50851	Assigned	394,131	1,721	-	-
50891	Unassigned	(315,601)	132,233	(163,811)	-
Total Ending Cash and Investments		547,845	144,596	(163,811)	79,672

The accompanying notes are an integral part of this statement.

City of Granger
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024

		135 CRIMINAL JUSTICE FUND	137 CRIME PREVENTION FUND	139 PUBLIC SAFETY FUND	156 EMS TRAUMA CARE GRANT
Beginning Cash and Investments					
308	Beginning Cash and Investments	51,547	20,053	139,057	6,250
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	75,834	-	140,073	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	6,880	-	-	766
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,604	562	4,309	-
Total Revenues:		<u>84,317</u>	<u>562</u>	<u>144,382</u>	<u>766</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	101,588	1,344	39,559	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>101,588</u>	<u>1,344</u>	<u>39,559</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		<u>(17,270)</u>	<u>(782)</u>	<u>104,823</u>	<u>766</u>
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:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	27,081	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	144,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>171,081</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(17,270)</u>	<u>(782)</u>	<u>(66,258)</u>	<u>766</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	34,276	-	72,799	7,016
50841	Committed	-	-	-	-
50851	Assigned	-	19,271	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>34,276</u>	<u>19,271</u>	<u>72,799</u>	<u>7,016</u>

The accompanying notes are an integral part of this statement.

City of Granger
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024

	175 FESTIVAL/FLOA T FUND	190 FED. HOUSING REHAB GRANT	335 CAPITAL IMPROVEMENT PLAN	350 FIRE DEPT. RES	
Beginning Cash and Investments					
308	Beginning Cash and Investments	15,519	41,009	223,820	78,434
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	17,555	-
320	Licenses and Permits	-	-	-	468
330	Intergovernmental Revenues	-	1,279	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	194	-	-	2,213
Total Revenues:		194	1,279	17,555	2,680
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	193	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	2,327	-	-	-
Total Expenditures:		2,327	193	-	-
Excess (Deficiency) Revenues over Expenditures:		(2,133)	1,086	17,555	2,681
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	-	-	99,675	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	99,675	-
Increase (Decrease) in Cash and Investments:		(2,133)	1,086	(82,120)	2,681
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	42,095	141,699	81,114
50841	Committed	-	-	-	-
50851	Assigned	13,385	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		13,385	42,095	141,699	81,114

The accompanying notes are an integral part of this statement.

City of Granger
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024

	410 WATER FUND	420 SEWER FUND	430 GARBAGE	450 IRRIGATION FUND	
Beginning Cash and Investments					
308	Beginning Cash and Investments	258,040	(2,070)	83,103	(43,415)
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	9,798	-	-	-
340	Charges for Goods and Services	796,053	795,581	479,162	231,531
350	Fines and Penalties	30,641	-	-	3,239
360	Miscellaneous Revenues	12,891	-	3,634	-
	Total Revenues:	849,383	795,581	482,796	234,770
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	653,134	868,527	550,508	327,094
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
	Total Expenditures:	653,134	868,527	550,508	327,094
	Excess (Deficiency) Revenues over Expenditures:	196,249	(72,946)	(67,712)	(92,324)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	50,000	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	4,964	-	-	-
	Total Other Increases in Fund Resources:	4,964	50,000	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	19,533	-	-	-
591-593, 599	Debt Service	41,192	123,268	-	-
597	Transfers-Out	50,000	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	4,164	-	-	-
	Total Other Decreases in Fund Resources:	114,889	123,268	-	-
	Increase (Decrease) in Cash and Investments:	86,324	(146,214)	(67,712)	(92,324)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	344,364	-	15,391	-
50891	Unassigned	-	(148,284)	-	(135,739)
	Total Ending Cash and Investments	344,364	(148,284)	15,391	(135,739)

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	001 CURRENT EXPENSE	100 STREETS	120 EMS FIRE DEPARTMENT
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,574,418	256,082	110,168	71,157
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,591,373	1,310,090	15,734	39,246
320	Licenses and Permits	115,817	115,276	400	-
330	Intergovernmental Revenues	1,165,711	198,252	959,249	-
340	Charges for Goods and Services	2,067,924	94,391	-	-
350	Fines and Penalties	64,339	27,803	328	-
360	Miscellaneous Revenues	72,309	25,824	3,986	-
Total Revenues:		5,077,474	1,771,637	979,697	39,246
Expenditures					
510	General Government	570,438	570,438	-	-
520	Public Safety	1,372,217	1,200,813	-	29,339
530	Utilities	2,138,921	-	-	-
540	Transportation	153,753	-	153,753	-
550	Natural/Economic Environment	240,384	239,473	-	-
560	Social Services	1,132	1,132	-	-
570	Culture and Recreation	109,489	105,782	-	-
Total Expenditures:		4,586,335	2,117,638	153,753	29,339
Excess (Deficiency) Revenues over Expenditures:		491,139	(346,002)	825,944	9,907
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	70,640	70,640	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	24,862	21,112	-	-
Total Other Increases in Fund Resources:		95,502	91,752	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,117,240	(159)	1,079,969	-
591-593, 599	Debt Service	164,460	4,826	-	-
597	Transfers-Out	70,640	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	21,189	18,189	-	-
Total Other Decreases in Fund Resources:		1,373,529	22,856	1,079,969	-
Increase (Decrease) in Cash and Investments:		(786,888)	(277,106)	(254,025)	9,907
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	621,180	-	-	81,064
50841	Committed	-	-	-	-
50851	Assigned	376,714	-	-	-
50891	Unassigned	(210,366)	(21,023)	(143,858)	-
Total Ending Cash and Investments		787,528	(21,023)	(143,858)	81,064

The accompanying notes are an integral part of this statement.

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

	135 CRIMINAL JUSTICE FUND	137 CRIME PREVENTION FUND	139 PUBLIC SAFETY FUND	156 EMS TRAUMA CARE GRANT	
Beginning Cash and Investments					
308	Beginning Cash and Investments	63,714	20,654	109,555	7,071
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	75,223	-	139,016	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	6,386	-	-	554
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,663	949	5,202	-
Total Revenues:		84,271	949	144,219	554
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	96,437	1,551	44,076	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		96,437	1,551	44,076	-
Excess (Deficiency) Revenues over Expenditures:		(12,165)	(602)	100,142	554
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	-	-	-	1,375
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	70,640	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	70,640	1,375
Increase (Decrease) in Cash and Investments:		(12,165)	(602)	29,502	(821)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	51,547	-	139,057	6,250
50841	Committed	-	-	-	-
50851	Assigned	-	20,053	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		51,547	20,053	139,057	6,250

The accompanying notes are an integral part of this statement.

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

	175 FESTIVAL/FLOA T FUND	190 FED. HOUSING REHAB GRANT	335 CAPITAL IMPROVEMENT PLAN	350 FIRE DEPT. RES	
Beginning Cash and Investments					
308	Beginning Cash and Investments	16,298	40,650	211,755	74,706
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	12,065	-
320	Licenses and Permits	-	-	-	141
330	Intergovernmental Revenues	-	1,270	-	-
340	Charges for Goods and Services	220	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,707	-	-	3,588
	Total Revenues:	2,927	1,270	12,065	3,729
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	912	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	3,707	-	-	-
	Total Expenditures:	3,707	912	-	-
	Excess (Deficiency) Revenues over Expenditures:	(780)	358	12,065	3,729
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
	Total Other Increases in Fund Resources:	-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
	Total Other Decreases in Fund Resources:	-	-	-	-
	Increase (Decrease) in Cash and Investments:	(780)	358	12,065	3,729
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	41,009	223,820	78,434
50841	Committed	-	-	-	-
50851	Assigned	15,519	-	-	-
50891	Unassigned	-	-	-	-
	Total Ending Cash and Investments	15,519	41,009	223,820	78,434

The accompanying notes are an integral part of this statement.

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

	410 WATER FUND	420 SEWER FUND	430 GARBAGE	450 IRRIGATION FUND	
Beginning Cash and Investments					
308	Beginning Cash and Investments	295,380	71,397	184,434	41,397
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	682,768	691,238	395,051	204,256
350	Fines and Penalties	32,922	-	-	3,286
360	Miscellaneous Revenues	12,538	-	14,851	1
	Total Revenues:	<u>728,229</u>	<u>691,238</u>	<u>409,902</u>	<u>207,542</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	727,909	624,909	493,590	292,513
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
	Total Expenditures:	<u>727,909</u>	<u>624,909</u>	<u>493,590</u>	<u>292,513</u>
	Excess (Deficiency) Revenues over Expenditures:	319	66,329	(83,688)	(84,970)
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	3,750	-	-	-
	Total Other Increases in Fund Resources:	<u>3,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,044	16,527	17,643	(159)
591-593, 599	Debt Service	36,366	123,268	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	3,000	-	-	-
	Total Other Decreases in Fund Resources:	<u>41,410</u>	<u>139,795</u>	<u>17,643</u>	<u>(159)</u>
	Increase (Decrease) in Cash and Investments:	<u>(37,341)</u>	<u>(73,466)</u>	<u>(101,331)</u>	<u>(84,811)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	258,040	-	83,103	-
50891	Unassigned	-	(2,070)	-	(43,415)
	Total Ending Cash and Investments	<u>258,040</u>	<u>(2,070)</u>	<u>83,103</u>	<u>(43,415)</u>

The accompanying notes are an integral part of this statement.

City of Granger
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024

		<u>Custodial</u>
308	Beginning Cash and Investments	14,375
388 & 588	Net Adjustments	-
310-390	Additions	82,327
510-590	Deductions	86,226
	Net Increase (Decrease) in Cash and Investments:	(3,899)
508	Ending Cash and Investments	10,476

The accompanying notes are an integral part of this statement.

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

		<u>Custodial</u>
308	Beginning Cash and Investments	20,097
388 & 588	Net Adjustments	-
310-390	Additions	100,868
510-590	Deductions	106,590
	Net Increase (Decrease) in Cash and Investments:	(5,722)
508	Ending Cash and Investments	14,375

The accompanying notes are an integral part of this statement.

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

Note 1 - Summary of Significant Accounting Policies

The City of Granger was incorporated on September 28, 1909, and operates under the laws of the state of Washington applicable to a City of Granger. The city is a general-purpose local government and provides general administrative services, public safety, and municipal court. Fire protection, parks, street improvements, water, sewer, garbage services, and irrigation.

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

- Financial transactions are recognized on a cash basis in 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:

Fund Types & Funds	Number Range	Have	Do Not Have	Description
Governmental Fund Types				
General Fund	000-099	X		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. [No specific details needed here]
Special Revenue Funds	100-199	X		These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.
Capital Projects Funds	300-399	X		These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.
Proprietary Fund Types				
Enterprise Funds	400-499	X		These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.
Fiduciary Fund Types				
Custodial Funds	630-699	X		These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

GOVERNMENTAL FUND TYPES:

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

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. Streets, Public Safety.

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

B. Basis of Accounting and Measurement Focus

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

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

C. Cash and Investments

For further information see Note 3 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

Vacation leave may be accumulated up to 45 days and (or 360 hours) payable upon separation or retirement. Sick leave may be accumulated (640 hours). Upon separation or retirement employees may receive payment for unused sick leave. Payouts for compensated absences vary by contract. Comp time accrued in lieu of overtime is payable upon separation or retirement. Payments are recognized as expenditure when paid. Total Value of compensated absences as reported on Schedule 09 as of December 31, 2024, is \$456,109.

F. Liabilities

See Note 5 – *Long-Term Liabilities*.

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 City of Granger’s legislative body by ordinance. When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Fund	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined
General Fund	58,188	10,642	68,830
EMS Fire Dept	79,672		79,672
Criminal Justice	34,276		34,276
Public Safety	72,799		
EMS Trauma Care	7,016		
Rehab Housing	42,095		
Capital Improvement	141,699		
Fire Dept Reserve	81,114		
Water	165,895		
<i>Totals</i>	682,755	10,642	182,778

Note 2 - Budget Compliance

The city adopts annual appropriate budgets for all funds. These budgets are appropriate at the fund level (except the general (current expense) fund, where budget is adopted at the department level). The budget constitutes the legal authority for expenditure at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
CURRENT EXPENSE	2,123,681.56	2,042,630.18	81,051.38
PARKS AND RECREATION FUND	11,585.00	10,745.55	839.45
GENERAL RESERVE FUND	9,965.00	0.00	9,965.00
BELL MEMORIAL FUND	54,143.00	0.00	54,143.00
Total 001 - CURRENT EXPENSE	\$ 2,199,374.56	\$2,053,375.73	\$ 145,998.83

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
WATER FUND	739,695.00	713,859.27	25,835.73
CONSUMER DEPOSIT FUND	45,736.00	4,164.23	41,571.77
WATER/SEWER RESERVE FUND	308,699.00	50,000.00	258,699.00
Total 410 - WATER FUND	\$ 1,094,130.00	\$ 768,023.50	\$ 326,106.50

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
SEWER FUND	\$ 830,497.00	\$ 991,795.34	\$ (161,298.34)

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
GARBAGE FUND	436,586.00	550,507.68	-113,921.68
GARBAGE RESERVE	123,598.00	0.00	123,598.00
Total 430 - GARBAGE	\$ 560,184.00	\$ 550,507.68	\$ 9,676.32

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
100 - STREETS	228,189.00	532,760.60	-304,571.60
120 - EMS FIRE DEPARTMENT	116,911.00	51,544.49	65,366.51
135 - CRIMINAL JUSTICE FUND	146,414.00	101,588.44	44,825.56
137 - CRIME PREVENTION FUND	21,254.00	1,343.95	19,910.05
139 - PUBLIC SAFETY FUND	253,054.00	210,639.70	42,414.30
156 - EMS TRAUMA CARE GRANT	7,910.00	0.00	7,910.00
175 - FESTIVAL/FLOAT FUND	17,453.00	2,327.17	15,125.83
190 - FED. HOUSING REHAB GRANT	40,950.00	192.66	40,757.34
335 - CAPITAL IMPROVEMENT PLAN	233,755.00	99,675.00	134,080.00
350 - FIRE DEPT. RES	76,405.00	0.00	76,405.00
IRRIGATION FUND	306,747.00	327,094.06	-20,347.06
COURT BOND FUND	14,536.00	86,225.57	-71,689.57

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

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

Disclosure	Details of Disclosure
Budget Over Expenditures	Inproper planning of expenditures and budgeting

Note 3 – Deposits and Investments

Investments are reported at amortized cost/original cost/fair value. Deposits and investments by type on December 31, 2024, are as follows:

Deposit or Investment	(City/Town/District)'s own deposits & investments	Deposits & investments held by the (City, Town/District) as custodian for other local governments, individuals, or private organizations.	Combined
Deposits	-4,470		-4,470
LGIP	552,315	63,077	615,392
			0
<i>Totals</i>	547,845	63,077	610,922

Investments in the State Local Government Investment Pool (LGIP)

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

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

Custodial Credit Risk

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

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

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

Note 4 – Leases (Lessees)

Contract	Classification	Payment	Frequency	Term in Years	Liability	Extension and/or cancellation options for leases	Beginning Balance	Additions	Reductions	Ending Balance
Springbrook Express	Operating Expense	\$ 25,529.92	Annually							
Dept of Ecology	Debt	\$ 123,268.32	Annually	39	\$ 1,143,418.48		\$ 1,191,286.98	0	\$ 123,268.32	\$ 1,143,418.48
First Interstate Bank	Debt	\$ 19,303.56	Annually	15	\$ 155,324.75		\$ 166,583.71	0	\$ 19,303.56	\$ 155,324.75
USDA	Debt	\$ 9,500.19	Annually	40	\$ 370,621.66		\$ 380,121.86	0	\$ 21,888.00	\$ 370,621.66
Canon	Lease		Monthly							
Menke Jackson Beyer LLC	Operating Expense		Monthly							
HLA Engineering & Surveying	Operating Expense		Monthly							
Certinet	Operating Expense		Monthly							
Axon	Installment Purchase	\$ 20,501.90	Annually							
Judge Robert Northcott	Operating Expense	\$ 1,000.00	Monthly							
Barajas Law-Public Defender	Operating Expense	\$ 3,000.00	Monthly							
AMS	Operating Expense	\$ 30.00	Monthly							

Note 5 – Long-Term Liabilities (formerly Long-Term Debt)

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the city and summarizes the city’s debt transactions for year ended December 31, 2024.

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

Year	Principal	Interest	Total Debt Service
2024	114,862	49,598	164,460
2025	117,956	46,504	164,460
2026	121,084	43,376	164,460
2027	124,301	40,159	164,460
2028	127,565	36,895	164,460
2029-2033	697,761	130,362	828,124
2034-2038	314,169	54,286	368,455
2039-2043	97,061	27,293	124,354
2044-2048	96,394	13,046	109,440
2049-2053	21,202	686	21,888
2054-2058			0
2059-2063			0
Totals	1,832,354	442,206	2,274,560

Compensated Absences

During the year ended December 31, 2024, the following changes occurred in compensated absences:

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities							
263.81	Loans and other obligations to the federal government or other out-of-state governments	USDA Loan	5/25/2049	380,122	-	8,943	371,179
263.81	Loans and other obligations to the federal government or other out-of-state governments	WA State Water Pollution	8/30/2035	1,285,390	-	93,562	1,191,828
263.81	Loans and other obligations to the federal government or other out-of-state governments	First Interstate Bank	11/1/2034	167,078	-	11,259	155,819
Total General Obligation Debt/Liabilities:				1,832,590	-	113,764	1,718,826
Revenue and Other (non G.O.) Debt/Liabilities							
259.12	Compensated Absences	Compensated Absences		218,848	237,261	-	456,109
264.30	Pension Liabilities	Pension Liability		109,411	-	80,704	28,707
264.40	OPEB Liabilities	OPEB		403,084	15,467	-	418,551
Total Revenue and Other (non G.O.) Debt/Liabilities:				731,343	252,728	80,704	903,367
Total Liabilities:				2,563,933	252,728	194,468	2,622,193

Note 6 – Other Postemployment Benefits (OPEB Plans)

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the town. The plan pays 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2024, the plan had one member, all retirees. As of December 31, 2024, the city’s total OPEB liability was \$244,689.00 as calculated using the alternative measurement method. For the year ended December 31, 2024, the town paid \$8,607.60 in benefits.

Plan	Administrator	Type (DBP or DCP)	Description of Plan	# of Active Employees	# of Retired Employees	Employer Contribution	Liability
Leoff 1	Northwest Administrators	DBP	Leoff 1 Healthcare			1	\$ 244,689.00

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the city’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 1 UAAL, PERS 2/3, and LEOFF 2.

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

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

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

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

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

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

The city 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, 2024 (the measurement date of the plans), the city’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1			1,776,838,000	-	
PERS 1 UAAL	27186.8	0.00454200%	1,776,838,000	80,704	
PERS 2/3	58665.96	0.00596000%	(3,296,573,000)		(196,476)
LEOFF 1		0.00084200%	(2,843,889,000)		(23,946)
LEOFF 2	24904.03	0.01016500%	(1,872,745,000)		(190,365)
VFFRPF	30	0.020000%			2,020
		<i>Totals</i>		\$ 80,704	\$ (408,766)

LEOFF Plan 1

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

LEOFF Plan 2

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

C. Defined Contribution Pension Plans

The City of Granger participates in a non-government (union sponsored) West Conference of Teamsters Pension Trust Plan. The plan is administered by the Northwest Administrators as follows:

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

Contract	Employer Contribution Per Hour	Employee Contribution Per Hour
Dept Heads	\$ 2.60	\$ 2.00
Public Works/Clerks	\$ 2.00	\$ 0.50
Police Officers	\$ 1.50	
Police Chief/LT	\$ 3.00	
Total Employer Contributions		\$110,786.79

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 at the end of each month.

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

The city's regular levy for the year 2024 was 1.46253733 per \$1,000 on an assessed valuation of \$218,840.397 for a total regular levy of \$320,062.25.

Levy	Per \$1000	Assessed Valuation	Amount
Regular	1	218,840	320

Note 9 – Risk Management

The City of Granger 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 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, 2018, 100 municipalities/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 coverage, with the exception of pollution liability, is 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, and cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with property insurance carrier and fidelity (crime) and pollution liability, and cyber liability coverages are stand-alone

City of Granger
Notes to the Financial Statements
For the year ended December 31, 2024

policies, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability.

Members pay annual assessments 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 liability limits, AWC RMSA is Self-Insured Retention (SIR) of \$250,000 per occurrence, and is reinsured by Berkley Public Entity for an additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2018, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through a Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give 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.

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.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

The City of Granger was incorporated on September 28, 1909, and operates under the laws of the state of Washington applicable to a second-class city. The City of Granger is a general-purpose local government and provides general administrative services, public safety, and municipal court. Fire protection, parks, street improvements, water, sewer, garbage services, and irrigation.

The town 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 no interfund activities are 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.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

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 2 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$2,500 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 accumulated up to 45 days and (or 360 hours) payable upon separation or retirement per Teamster union contract. Sick leave may be accumulated up to 640 hours. Upon separation or retirement employees may receive payment for unused sick leave. Payouts for compensated absences vary by contract. Comp time accrued in lieu of overtime is payable upon separation or retirement. Payments are recognized as expenditures when paid. Total Value of compensated absences as reported on Schedule 09 as of December 31, 2023, is \$218,848.

F. Long-Term Debt

See Note 3 – *Long-Term Debt (formerly Debt Service Requirements)*.

G. Restricted and Committed Portion of Ending Cash and Investments

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

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

Restrictions and commitments of Ending Cash and Investments consist of:

Note 2 - Budget Compliance

The City adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department 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	Explanation of Variances
CURRENT EXPENSE	1,975,763	2,041,920	(66,157)	Over expended
PARKS AND RECREATION FUND	11,956	3,234	8,721	
GENERAL RESERVE FUND	9,872		9,872	
BELL MEMORIAL FUND	66,758		66,758	
STREETS	248,899	1,234,034	(985,135)	Over expended
CAPITAL IMPROVEMENT	\$ 348,600	\$ -	\$ 348,600	
FIRE DEPT RESERVE	75727.62	0	\$ 75,728	

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
WATER FUND		744,853.00	762,180.62	-17,327.62
CONSUMER DEPOSIT FUND		44,546.92	3,000.00	41,546.92
WATER/SEWER RESERVE FUND		250,200.97	0.00	250,200.97
Total 410 - WATER FUND	\$	1,039,600.89	\$ 765,180.62	\$ 274,420.27

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
SEWER FUND	\$	1,002,468.00	\$ 764,436.67	\$ 238,031.33

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance	Explanation of Variances
GARBAGE		481,866.07	509,100.63	-27,234.56
GARBAGE RESERVE		141,718.78	0.00	141,718.78
Total 430 - GARBAGE	\$	623,584.85	\$ 509,100.63	\$ 114,484.22

120 - EMS FIRE DEPARTMENT		93,490.00	29,345.02	64,144.98
135 - CRIMINAL JUSTICE FUND		145,332.66	96,450.39	48,882.27
137 - CRIME PREVENTION FUND		21,079.92	1,551.18	19,528.74
139 - PUBLIC SAFETY FUND		168,710.58	114,697.76	54,012.82
156 - EMS TRAUMA CARE GRANT		7,157.78	1,367.91	5,789.87
175 - FESTIVAL/FLOAT FUND		14,468.76	3,416.79	11,051.97
190 - FED. HOUSING REHAB GRANT		43,895.46	1,000.56	42,894.90

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

IRRIGATION FUND	311,492.43	291,776.43	19,716.00
COURT BOND FUND	11,693.42	106,589.93	-94,896.51

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

Fund Name	Portion of	Portion of	Combined	Reason for Restriction or Commitment
	Ending Balance Restricted	Ending Balance Committed		
General Fund	0	0	0	
EMS Fire Dept	81,064		81,064	
Criminal Justice	51,547		51,547	
Public Safety	139,057		139,057	
EMS Trauma Care	6,250		6,250	
Rehab Housing	41,009		41,009	
Capital Improvement	223,820		223,820	
Fire Dept Reserve	78,434		78,434	
Water	304,820		304,820	
Garbage	129,169		129,169	
			0	
<i>Totals</i>	1,055,170	0	1,055,170	

Title for Disclosure	Details for Disclosure
Budget overexpenditures	Inproper planning of expenditures and budgeting

Note 3 – Deposits and Investments

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

Type of Deposit or Investment	(City/Town/District)'s own deposits & investments	Deposits & investments held by the (City,Town/District) as custodian for other local governments, individuals, or private organizations.	Combined
deposits	574,835	14,038	588,873
LGIP	574,835		574,835
			0
<i>Totals</i>	1,149,670	14,038	1,163,708

It is the cities' policy to invest all temporary cash surpluses. The interest in these investments is prorated to 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.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

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 town 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 town’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 town or its agent in the government’s name.

Note 4 – 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, 2023.

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

Year	Principal	Interest	Total Debt Service
2024	114,862	49,598	164,460
2025	117,956	46,504	164,460
2026	121,084	43,376	164,460
2027	124,301	40,159	164,460
2028	127,565	36,895	164,460
2029-2033	697,581	130,362	827,943
2034-2038	329,083	47,326	376,409
2039-2043	82,147	27,293	109,440
2044-2048	96,394	13,046	109,440
2049-2053	21,202	686	21,888
2054-2058			0
2059-2063			0
Totals	1,832,175	435,245	2,267,420

Note 5 – OPEB Plan

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the town. The plan pays for 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2023, the plan had one member, all retirees. As of December 31, 2023, the city’s total OPEB liability was \$4459,159 as calculated using the alternative measurement method. For the year ended December 31, 2023, the town paid \$7,842 in benefits.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

Plan Name	Plan Administrator	Type (DBP or DCP)	Plan Description	# of Active Employees	# of Retired Employees	Employer Contribution	Liability
LEOFF 1	NW ADMIN	DBP	LEOFF1 HEALTHCARE			1 7842	459169
						Total	459169

Note 6 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the town’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 1 UAAL, PERS 2/3, and LEOFF 2.

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

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

Department of Retirement Systems
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 Olympia, WA 98540-8380

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

The city 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 town’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	32661.8	0.00479300%	2,282,732,000	109,411	
PERS 2/3	54358.36	0.00618300%	(4,098,683,000)		(253,422)
LEOFF 1		0.00081700%	(2,968,024,000)		(24,249)
LEOFF 2	35154.57	0.01557500%	(2,398,598,000)		(373,582)
		<i>Totals</i>		\$ 109,411	\$ (651,252)

LEOFF Plan 1

The town 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 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.

C. Defined Contribution Pension Plans

The City of Granger participates in a non-government (union sponsored) West Conference of Teamsters Pension Trust Plan. The plan is administered by Northwest Administrators as follows:

Contract	Employer Contribution Per Hour	Employee Contribution Per Hour
Dept Heads	\$ 2.60	\$ 2.00
Public Works/Cler	\$ 2.00	\$ 0.50
Police Officers	\$ 1.50	\$ -
Police Chief/LT	\$ 3.00	\$ -
Total Employer Contribution		\$ 103,407.51

Note 7 - 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 the end of each month.

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

The city's regular levy for the year 2023 was \$1.69929882 per \$1,000 on an assessed valuation of \$183,914,351 for a total regular levy of \$312,525.44.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

Levy Type	Per \$1000	Assessed Valuation	Amount
regular	1.46253733	218,840,397	320,062.250
			0
			0
			0
			0

Note 8 – Risk Management

The City of Granger 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 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, 2018, 100 municipalities/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 coverage, with the exception of pollution liability, is 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, and cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with property insurance carrier and fidelity (crime) and pollution liability, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability.

Members pay annual assessments 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 liability limits, AWC RMSA is Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for an additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2018, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through a 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.

CITY OF GRANGER
Notes to the Financial Statements
For the year ended December 31, 2023

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.

City of Granger
Schedule of Liabilities
For the Year Ended December 31, 2024

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities							
263.81	Loans and other obligations to the federal government or other out-of-state governments	USDA Loan	5/25/2049	380,122	-	8,943	371,179
263.81	Loans and other obligations to the federal government or other out-of-state governments	WA State Water Pollution	8/30/2035	1,285,390	-	93,562	1,191,828
263.81	Loans and other obligations to the federal government or other out-of-state governments	First Interstate Bank	11/1/2034	167,078	-	11,259	155,819
Total General Obligation Debt/Liabilities:				1,832,590	-	113,764	1,718,826
Revenue and Other (non G.O.) Debt/Liabilities							
259.12	Compensated Absences	Compensated Absences		218,848	237,261	-	456,109
264.30	Pension Liabilities	Pension Liability		109,411	-	80,704	28,707
264.40	OPEB Liabilities	OPEB		403,084	15,467	-	418,551
Total Revenue and Other (non G.O.) Debt/Liabilities:				731,343	252,728	80,704	903,367
Total Liabilities:				2,563,933	252,728	194,468	2,622,193

City of Granger
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						
263.81	USDA Loan	5/25/2049	389,356	-	9,234	380,122
263.81	WA ST Water Pollution	8/30/2035	1,377,355	-	91,965	1,285,390
263.81	First Interstate	11/1/2034	177,346	-	10,268	167,078
Total General Obligation Debt/Liabilities:			1,944,057	-	111,467	1,832,590
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		153,611	65,237	-	218,848
264.30	Pension Liability		177,853	-	68,442	109,411
264.40	OPEB		364,363	38,721	-	403,084
Total Revenue and Other (non G.O.) Debt/Liabilities:			695,827	103,958	68,442	731,343
Total Liabilities:			2,639,884	103,958	179,909	2,563,933

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.

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