

**ANNUAL REPORT CERTIFICATION**

City of Palouse

(Official Name of Government)

0818

MCAg No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor’s Office

For the Fiscal Year Ended 12/31/2021

GOVERNMENT INFORMATION:

Official Mailing Address PO Box 248  
Palouse, WA 99161

Official Website Address www.visitpalouse.com

Official E-mail Address cityadmin@palouse.com

Official Phone Number \_\_\_\_\_

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title Misty La Follett Deputy Clerk

Contact Phone Number \_\_\_\_\_

Contact E-mail Address deputyclerk@palouse.com

I certify 27th day of May, 2022, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures

Misty La Follett (deputyclerk@palouse.com)

**City of Palouse**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<u>Total for All Funds (Memo Only)</u>	<u>001 Current Expense</u>	<u>101 Street</u>	<u>120 Emergency Medical Services</u>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	1,764,734	272,321	287,270	82,983
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	497,182	368,450	68,183	32,829
320	Licenses and Permits	34,807	34,807	-	-
330	Intergovernmental Revenues	252,933	222,219	28,454	1,260
340	Charges for Goods and Services	557,565	10,239	1,620	-
350	Fines and Penalties	36	-	-	-
360	Miscellaneous Revenues	38,366	33,239	277	67
Total Revenues:		<u>1,380,889</u>	<u>668,954</u>	<u>98,534</u>	<u>34,156</u>
<b>Expenditures</b>					
510	General Government	150,796	150,796	-	-
520	Public Safety	396,205	318,996	-	21,878
530	Utilities	347,909	20,186	-	-
540	Transportation	103,761	-	103,761	-
550	Natural/Economic Environment	3,851	3,851	-	-
560	Social Services	588	588	-	-
570	Culture and Recreation	85,638	85,638	-	-
Total Expenditures:		<u>1,088,748</u>	<u>580,055</u>	<u>103,761</u>	<u>21,878</u>
Excess (Deficiency) Revenues over Expenditures:		292,141	88,899	(5,227)	12,278
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	13,850	-	-	-
397	Transfers-In	104,832	6,000	32,750	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	4,122	248	3,874	-
Total Other Increases in Fund Resources:		<u>122,804</u>	<u>6,248</u>	<u>36,624</u>	<u>-</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	283,822	1,546	248,530	56
591-593, 599	Debt Service	80,392	-	-	-
597	Transfers-Out	104,832	41,082	-	25,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	3,387	3,377	-	-
Total Other Decreases in Fund Resources:		<u>472,433</u>	<u>46,005</u>	<u>248,530</u>	<u>25,056</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(57,488)</b>	<b>49,142</b>	<b>(217,133)</b>	<b>(12,778)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	253,639	-	28,842	-
50841	Committed	268,138	-	-	70,205
50851	Assigned	871,373	7,361	41,296	-
50891	Unassigned	314,102	314,102	-	-
<b>Total Ending Cash and Investments</b>		<b><u>1,707,252</u></b>	<b><u>321,463</u></b>	<b><u>70,138</u></b>	<b><u>70,205</u></b>

**City of Palouse**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

	<b>122 Joint Board - Fire &amp; EMS</b>	<b>308 Fire Equipment Reserve</b>	<b>311 Police Car &amp; Equipment</b>	<b>313 EMS Vehicle Reserve</b>	
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	7,685	46,205	46,451	24,074
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	22,465	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	1,000	-
340	Charges for Goods and Services	40,680	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	34	50	15
Total Revenues:		40,680	22,499	1,050	15
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	53,857	-	1,474	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		53,857	-	1,474	-
Excess (Deficiency) Revenues over Expenditures:		(13,177)	22,499	(424)	15
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	36,582	-	4,500	25,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		36,582	-	4,500	25,000
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	184	-	1,294	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		184	-	1,294	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>23,221</b>	<b>22,499</b>	<b>2,782</b>	<b>25,015</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	30,907	68,704	49,233	49,089
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>30,907</b>	<b>68,704</b>	<b>49,233</b>	<b>49,089</b>

**City of Palouse**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		320 Special Capital Projects Fund	401 Water Fund	404 Sewer Fund	730 Cemetery Endowment
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	136,697	435,081	305,956	120,011
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	5,255	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	226,888	278,138	-
350	Fines and Penalties	-	25	11	-
360	Miscellaneous Revenues	-	1,579	1,521	1,584
Total Revenues:		5,255	228,492	279,670	1,584
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	170,038	157,685	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	170,038	157,685	-
Excess (Deficiency) Revenues over Expenditures:		5,255	58,454	121,985	1,584
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	13,850	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	13,850	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	29,272	2,940	-
591-593, 599	Debt Service	-	80,392	-	-
597	Transfers-Out	32,750	-	-	6,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	10	-	-
Total Other Decreases in Fund Resources:		32,750	109,674	2,940	6,000
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(27,495)</b>	<b>(37,370)</b>	<b>119,045</b>	<b>(4,416)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	109,202	-	-	115,595
50841	Committed	-	-	-	-
50851	Assigned	-	397,714	425,002	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>109,202</b>	<b>397,714</b>	<b>425,002</b>	<b>115,595</b>

**City of Palouse**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<u>Custodial</u>
308	Beginning Cash and Investments	-
388 & 588	Net Adjustments	-
310-390	Additions	3,337
510-590	Deductions	531
	Net Increase (Decrease) in Cash and Investments:	<u>2,806</u>
508	Ending Cash and Investments	2,806

**City of Palouse, Washington**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**Note 1 - Summary of Significant Accounting Policies**

The City of Palouse was incorporated on March 17, 1888, and operates under the laws of the State of Washington applicable to a Local Government. The city is a general-purpose local government and provides the streets, parks, community pool, and cemetery. The City also provides law enforcement, Fire, and EMS services. We also contract with Empire Disposal from Whitman County for garbage pickup and recycling.

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General 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

**City of Palouse, Washington**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

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

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.

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 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 1 - *Deposits and Investments*.

D. Capital Assets

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

E. Compensated Absences

Vacation leave may be accumulated up to 160 hours and is payable upon separation or retirement. Sick leave may be accumulated to 896 hours with a maximum of 800 carried over into the next year. Upon separation or retirement employees do receive payment for unused sick leave. Payments are recognized as

**City of Palouse, Washington**  
**Notes to the Financial Statements**

**For the year ended December 31, 2021**

expenditures when paid. The total cost of the Compensated Absences as of December 31, 2021, is \$28,919.25.

La Follett, Misty L	Administrative	Comp Time	8.75	26.54	1	232.23	0.124	0.0145	0.00439	232.37
La Follett, Misty L	Administrative	Sick Pay	56	26.54	1	1486.24	0.124	0.0145	0.00439	1,486.38
Anderson, Joel	Police	Comp Time	3.25	31.06	1	100.95	0.124	0.0145	0.053	101.15
Anderson, Joel	Police	Sick Pay	231	31.06	1	7174.86	0.124	0.0145	0.00439	7,175.00
Anderson, Joel	Police	Vacation	41.5	31.06	1	1288.99	0.124	0.0145	0.00439	1,289.13
Fealy, Walter	Public Works	Comp Time	25.5	23.26	1	593.13	0.124	0.0145	0.00439	593.27
Fealy, Walter	Public Works	Sick Pay	164	23.26	1	3814.64	0.124	0.0145	0.00439	3,814.78
Fealy, Walter	Public Works	Vacation	80	23.26	1	1860.8	0.124	0.0145	0.00439	1,860.94
Weagraff, Evan M	Public Works	Comp Time	32.5	19.02	1	618.15	0.124	0.0145	0.00439	618.29
Weagraff, Evan M	Public Works	Sick Pay	32	19.02	1	608.64	0.124	0.0145	0.00439	608.78
Wolf, Michael W	Public Works	Sick Pay	308.5	26.24	1	8095.04	0.124	0.0145	0.00439	8,095.18
Wolf, Michael W	Public Works	Vacation	116	26.24	1	3043.81	0.124	0.0145	0.00439	3,043.95
Total										28,919.25

**F. Long-Term Debt**

See Note 5 – *Debt Service Requirements*.

**G. Restricted and Committed Portion of Ending Cash and Investments**

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

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
Fund 102	245,509		245,509	Arterial Street Restricted
Fund 320	136,697		136,697	Special Capital Projects Restricted
Fund 730	120,011		120,011	Cemetery Endowment Restricted Per RCW
<b>Totals</b>	<b>502,217</b>	<b>0</b>	<b>502,217</b>	

**Note 2 - Budget Compliance**

The city adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end. Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

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:

City of Palouse, Washington  
Notes to the Financial Statements  
For the year ended December 31, 2021

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
Current Expense	608,811.00	605,874.77	2,936.23
Cemetery	25,855.00	20,185.79	5,669.21
<b>Total 001 - Current Expense</b>	<b>634,666.00</b>	<b>626,060.56</b>	<b>8,605.44</b>
Street	102,750.00	98,617.88	4,132.12
Arterial Streets	249,500.00	253,673.35	-4,173.35
<b>Total 101 - Street</b>	<b>352,250.00</b>	<b>352,291.23</b>	<b>-41.23</b>
<b>120 - Emergency Medical Services</b>	<b>51,144.00</b>	<b>46,984.71</b>	<b>4,209.29</b>
<b>122 - Joint Board - Fire &amp; EMS</b>	<b>65,175.00</b>	<b>54,040.08</b>	<b>11,134.97</b>
<b>308 - Fire Equipment Reserve</b>			
<b>311 - Police Car &amp; Equipment</b>	<b>3,300.00</b>	<b>2,767.35</b>	<b>532.65</b>
<b>313 - EMS Vehicle Reserve</b>			
<b>320 - Special Capital Projects Fund</b>	<b>32,750.00</b>	<b>32,750.00</b>	
Water Fund	183,475.00	181,132.27	2,342.73
Water Capital Improvement	12,720.00	14,355.29	-1,635.29
Pump Maintenance Reserve	5,000.00	1,705.22	3,294.78
Water System Reserve	82,600.00	82,517.38	82.62
<b>Total 401 - Water Fund</b>	<b>283,795.00</b>	<b>279,710.16</b>	<b>4,084.84</b>
Sewer Fund	163,800.00	151,585.98	12,214.02
Sewer Capital Improvement	7,015.00	3,799.31	3,215.69
Sewer Facility Reserve	5,300.00	5,240.41	59.59
<b>Total 404 - Sewer Fund</b>	<b>176,115.00</b>	<b>160,625.70</b>	<b>15,489.30</b>
<b>630 - Sales Tax Remittance</b>	<b>600</b>	<b>530.5</b>	<b>69.5</b>
<b>730 - Cemetery Endowment</b>	<b>6,000.00</b>	<b>6,000.00</b>	

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

**Note 3 – COVID-19 Pandemic**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing

**City of Palouse, Washington**  
**Notes to the Financial Statements**

**For the year ended December 31, 2021**

schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The City has reinstated late fees and shut off notice for nonpayment of utilities. We reopened the community pool to full capacity.

<b>COVID 19 Pandemic Disclosure Details</b>		
The City used the American Rescue Plan Act funds from the Federal		
	<b>Community and Public Services, Non-Profits:</b>	
	<b>Joint Fire Board, Fire/EMS</b>	<b>\$71,000</b>
	<b>Palouse Community Center</b>	
	<b>Palouse Print Museum</b>	
	<b>Palouse Library</b>	
	<b>Palouse Library</b>	
	<b>Business Relief</b>	
	<b>Microgrant redistribution to businesses (Chamber of Commerce)</b>	<b>\$60,000.00</b>
	<b>Other/Infrastructure (City of Palouse)</b>	
	<b>PPE for public and city use</b>	<b>\$4,530.00</b>
	<b>Palouse Community Pool</b>	
	<b>TOTAL</b>	<b>\$135,530.00</b>

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

**Note 4 – Deposits and Investments**

Investments in the State Local Government Investment Pool (LGIP)

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

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

**City of Palouse, Washington**  
**Notes to the Financial Statements**

**For the year ended December 31, 2021**

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

**Note 5 – 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, 2021.

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

Table for Long Term Debt in Notes			
	Principal	Interest	Total
<b>2022</b>	<b>73884.39</b>	<b>5757.04</b>	<b>79,641.43</b>
<b>2023</b>	<b>74722.98</b>	<b>4855.38</b>	<b>79,578.36</b>
<b>2024</b>	<b>74807.17</b>	<b>3059.24</b>	<b>77,866.41</b>
<b>2025</b>	<b>27315.53</b>	<b>1811.4</b>	<b>29,126.93</b>
<b>2026</b>	<b>27489.46</b>	<b>962.63</b>	<b>28,452.09</b>
<b>2027-2029</b>	<b>30000</b>	<b>862.5</b>	<b>30,862.50</b>
	<b>308219.5</b>	<b>17308.19</b>	<b>325,527.72</b>

There is a discrepancy in the beginning balance for the Public Work Board loan. It has been corrected to reflect the most current loan amortization schedule from the Public Works Board.

The former City Administrator left abruptly and left many thing unfinished.

**Note 6 – 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 LEOFF I & LEOFF II

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

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

**City of Palouse, Washington**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

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

Also, the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://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 CAFR available from the Office of Financial Management website at [www.ofm.wa.gov](http://www.ofm.wa.gov).

At June 30, 2020 (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 Type	Employer	Allocation	Plan Liability /	NPL	NPA
LEOFF 1		0.00088600%	-3,425,562,000		(13,223)
LEOFF 2	6820	0.00342100%	-5,808,414,000		(198,706)
VFFRPF	480	0.250000%			(54,300)
		<b>Totals</b>		\$-	\$ (266,229)

**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 contributes the equivalent of nine percent of Public Works and City Hall employee's salary to a 457(b) Deferred Compensation Plan on a monthly basis. The plan is administered by LPL Financial of Fort Mill, SC and Jackson National Life Insurance Company of Lansing, MI. Employees also have the option of adding this amount to their monthly compensation, subject to all applicable taxes.

**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 after 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.

**City of Palouse, Washington**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

The city's regular levy for the year 2021 was \$2.70 per \$1,000 on an assessed valuation of \$74,112,732 for a total regular levy of \$198,574.92.

The city's EMS levy for the year 2021 was \$0.425 per \$1,000 on an assessed valuation of \$74,112,732 for a total regular levy of \$ 31,233.35.

The resolution certifying the levies were calculated at a lower amount than actually received.

**Note 8 – Risk Management**

The City of Palouse is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program 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 program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **As of November 30, 2021, membership includes 192 members in the program.**

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, Crime Protection and Liability, including General, Automobile, Wrongful Acts, and Cyber, which are included to fit the member's various needs.

The program acquires liability insurance through their administrator, Clear Risk Solutions, which is subject to a per occurrence self-insured retention (SIR) of \$100,000. Members are responsible for a \$1,000 to \$10,000 deductible for each claim (can vary by member), while the program is responsible for the \$100,000 SIR. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the \$100,000 SIR, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$3,505,566**, which is fully funded in its annual budget.

Property insurance is subject to a per occurrence SIR of \$100,000. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the \$100,000 SIR, in addition to the deductible.

Crime insurance is subject to a per occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the \$25,000 SIR, in addition to the deductible. Equipment Breakdown insurance is subject to a per occurrence deductible of \$2,500 (cities and special districts) and \$500 (fire districts), which may vary per member, with the

**City of Palouse, Washington**  
**Notes to the Financial Statements**

**For the year ended December 31, 2021**

exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program SIR on this coverage, with the exception of Pumps & Motors, which is \$15,000 and is covered by CIAW.

Cyber liability insurance is subject to a per-occurrence SIR of \$50,000. Members are responsible for a \$10,000 deductible for each claim, while the program is responsible for the remaining \$40,000 SIR.

Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending **December 1, 2021, were \$2,772,986.77.**

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

**Note 9 – Health & Welfare**

The City of Palouse is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2021, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for

**City of Palouse, Washington**  
**Notes to the Financial Statements**

**For the year ended December 31, 2021**

medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan.

Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2021, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through Intermediary Insurance Services. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to

**City of Palouse, Washington**  
**Notes to the Financial Statements**

**For the year ended December 31, 2021**

the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

**Note 10 – Interlocal Agreements**

The City of Palouse and Whitman County Rural Fire District 4 participate in an Interlocal Agreement to establish and operate a joint fire department to provide fire and emergency medical services to the residents of both the city and rural Fire District four. This agreement has been established since September 1997 and

amended from time to time. The full agreement may be viewed at Palouse City Hall during regular business hours.

**Note 11 – City Contracts**

<b>City of Palouse Contracts</b>	<b>Contract Amounts</b>
Whitman Co. Humane Society	\$2,100
<b>Bishop Law Office</b>	<b>\$4,800</b>
Building Inspector	\$7,200

## City of Palouse

### Schedule 01

For the year ended December 31, 2021

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	001	Current Expense	3085100	Assigned Cash and Investments - Beginning	\$48
0818	001	Current Expense	3089100	Unassigned Cash and Investments - Beginning	\$272,273
0818	001	Current Expense	3111100	Property Tax	\$130,818
0818	001	Current Expense	3131100	Local Retail Sales and Use Tax	\$105,181
0818	001	Current Expense	3137100	Criminal Justice Sales and Use Tax	\$16,229
0818	001	Current Expense	3164100	Business and Occupation Taxes on Utilities	\$67,056
0818	001	Current Expense	3164100	Business and Occupation Taxes on Utilities	\$12,395
0818	001	Current Expense	3164100	Business and Occupation Taxes on Utilities	\$14,500
0818	001	Current Expense	3164200	Business and Occupation Taxes on Utilities	\$11,932
0818	001	Current Expense	3164200	Business and Occupation Taxes on Utilities	\$10,339
0818	001	Current Expense	3219900	Other Business Licenses and Permits	\$18
0818	001	Current Expense	3221000	Buildings, Structures and Equipment	\$31,731
0818	001	Current Expense	3223000	Animal Licenses	\$475
0818	001	Current Expense	3229000	Other Non-Business Licenses and Permits	\$903
0818	001	Current Expense	3229000	Other Non-Business Licenses and Permits	\$1,680
0818	001	Current Expense	3329210	COVID-19 Non-Grant Assistance	\$150,189
0818	001	Current Expense	3350401	2022-2023 biennium one-time allocations	\$4,344
0818	001	Current Expense	3360098	City-County Assistance	\$55,446
0818	001	Current Expense	3360626	Criminal Justice - Special Programs	\$1,251
0818	001	Current Expense	3360642	Marijuana Excise Tax Distribution	\$1,433
0818	001	Current Expense	3360651	DUI and Other Criminal	\$175

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	001	Current Expense	3436000	Cemetery Sales and Services	\$3,500
0818	001	Current Expense	3458900	Other Planning and Development Services	\$100
0818	001	Current Expense	3473000	Activity Fees	\$1,300
0818	001	Current Expense	3476000	Program Fees	\$3,315
0818	001	Current Expense	3611100	Investment Earnings	\$323
0818	001	Current Expense	3611100	Investment Earnings	\$125
0818	001	Current Expense	3614000	Other Interest	\$99
0818	001	Current Expense	3624000	Rents and Leases	\$30,096
0818	001	Current Expense	3625000	Rents and Leases	\$180
0818	001	Current Expense	3671100	Contributions and Donations from Nongovernmental Sources	\$1,402
0818	001	Current Expense	3671100	Contributions and Donations from Nongovernmental Sources	\$62
0818	001	Current Expense	3699100	Miscellaneous Other, Operating	\$952
0818	101	Street	3083100	Restricted Cash and Investments - Beginning	\$171,768
0818	101	Street	3083100	Restricted Cash and Investments - Beginning	\$82,741
0818	101	Street	3085100	Assigned Cash and Investments - Beginning	\$32,761
0818	101	Street	3111100	Property Tax	\$68,183
0818	101	Street	3360071	Multimodal Transportation - Cities	\$1,434
0818	101	Street	3360087	Motor Vehicle Fuel Tax - City Streets	\$20,323
0818	101	Street	3360695	Liquor Control Board Profits	\$6,697
0818	101	Street	3442000	Sales of Road Materials	\$1,620
0818	101	Street	3611100	Investment Earnings	\$21
0818	101	Street	3611100	Investment Earnings	\$256
0818	120	Emergency Medical Services	3084100	Committed Cash and Investments - Beginning	\$82,983
0818	120	Emergency Medical Services	3111100	Property Tax	\$32,829
0818	120	Emergency Medical Services	3340490	State Grant from Department of Health	\$1,260
0818	120	Emergency Medical	3611100	Investment Earnings	\$67

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	311	Police Car & Equipment	3084100	Committed Cash and Investments - Beginning	\$46,451
0818	311	Police Car & Equipment	3360621	Criminal Justice - Violent Crimes/Population	\$1,000
0818	311	Police Car & Equipment	3611100	Investment Earnings	\$40
0818	311	Police Car & Equipment	3671100	Contributions and Donations from Nongovernmental Sources	\$10
0818	313	EMS Vehicle Reserve	3084100	Committed Cash and Investments - Beginning	\$24,074
0818	313	EMS Vehicle Reserve	3611100	Investment Earnings	\$15
0818	320	Special Capital Projects Fund	3083100	Restricted Cash and Investments - Beginning	\$136,697
0818	320	Special Capital Projects Fund	3183400	REET 1 - First Quarter Percent	\$5,255
0818	401	Water Fund	3085100	Assigned Cash and Investments - Beginning	\$208,351
0818	401	Water Fund	3085100	Assigned Cash and Investments - Beginning	\$18,331
0818	401	Water Fund	3085100	Assigned Cash and Investments - Beginning	\$18,603
0818	401	Water Fund	3085100	Assigned Cash and Investments - Beginning	\$189,796
0818	401	Water Fund	3434000	Water Sales and Services	\$143,220
0818	401	Water Fund	3434000	Water Sales and Services	\$56,362
0818	401	Water Fund	3434000	Water Sales and Services	\$18,498
0818	401	Water Fund	3434100	Water Sales and Services	\$6,448
0818	401	Water Fund	3434200	Water Sales and Services	\$335
0818	401	Water Fund	3434400	Water Sales and Services	\$2,025
0818	401	Water Fund	3594300	Non-Court Fines and Penalties	\$25
0818	401	Water Fund	3611100	Investment Earnings	\$12
0818	401	Water Fund	3611100	Investment Earnings	\$221
0818	401	Water Fund	3611100	Investment Earnings	\$10
0818	401	Water Fund	3611100	Investment Earnings	\$196
0818	401	Water Fund	3699100	Miscellaneous Other, Operating	\$1,140
0818	404	Sewer Fund	3085100	Assigned Cash and	\$65,894

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	404	Sewer Fund	3435200	Sewer/Reclaimed Water Sales and Services	\$5,832
0818	404	Sewer Fund	3595300	Non-Court Fines and Penalties	\$11
0818	404	Sewer Fund	3611100	Investment Earnings	\$68
0818	404	Sewer Fund	3611100	Investment Earnings	\$62
0818	404	Sewer Fund	3611100	Investment Earnings	\$191
0818	404	Sewer Fund	3625000	Rents and Leases	\$1,200
0818	730	Cemetery Endowment	3083100	Restricted Cash and Investments - Beginning	\$120,011
0818	730	Cemetery Endowment	3671100	Contributions and Donations from Nongovernmental Sources	\$1,584
0818	001	Current Expense	5113040	Official Publication Services	\$1,576
0818	001	Current Expense	5116010	Legislative Activities	\$4,104
0818	001	Current Expense	5116020	Legislative Activities	\$415
0818	001	Current Expense	5116040	Legislative Activities	\$1,337
0818	001	Current Expense	5125040	Municipal Court	\$3,646
0818	001	Current Expense	5131010	Executive Office	\$2,885
0818	001	Current Expense	5131020	Executive Office	\$236
0818	001	Current Expense	5142010	Financial Services	\$46,065
0818	001	Current Expense	5142020	Financial Services	\$15,224
0818	001	Current Expense	5142040	Financial Services	\$4,274
0818	001	Current Expense	5142040	Financial Services	\$6,786
0818	001	Current Expense	5142040	Financial Services	\$2,196
0818	001	Current Expense	5144040	Election Services	\$4,954
0818	001	Current Expense	5149040	Voters Registration Services	\$3,716
0818	001	Current Expense	5154140	External Legal Services - Advice	\$4,800
0818	001	Current Expense	5183010	Maintenance/Security/Insurance/Janitorial Services	\$3,752
0818	001	Current Expense	5183020	Maintenance/Security/Insurance/Janitorial Services	\$1,494
0818	001	Current Expense	5183030	Maintenance/Security/Insurance/Janitorial Services	\$1,798
0818	001	Current Expense	5183040	Maintenance/Security/Insurance/Janitorial Services	\$2,968

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	001	Current Expense	5211020	Administration	\$12,183
0818	001	Current Expense	5211020	Administration	\$12,841
0818	001	Current Expense	5211020	Administration	\$978
0818	001	Current Expense	5212030	Police Operations	\$23
0818	001	Current Expense	5212030	Police Operations	\$1,458
0818	001	Current Expense	5212040	Police Operations	\$1,746
0818	001	Current Expense	5212040	Police Operations	\$1,821
0818	001	Current Expense	5212040	Police Operations	\$277
0818	001	Current Expense	5213030	Crime Prevention	\$205
0818	001	Current Expense	5214040	Training	\$264
0818	001	Current Expense	5214040	Training	\$85
0818	001	Current Expense	5217030	Traffic Policing	\$1,958
0818	001	Current Expense	5217040	Traffic Policing	\$50
0818	001	Current Expense	5241010	Administration	\$2,397
0818	001	Current Expense	5241020	Administration	\$282
0818	001	Current Expense	5242040	Inspections, Permits, Certificates and Licenses	\$4,805
0818	001	Current Expense	5246040	Enforcement of Codes and Regulation	\$1,268
0818	001	Current Expense	5256040	Disaster Preparedness	\$135,531
0818	001	Current Expense	5362010	Cemetery	\$11,023
0818	001	Current Expense	5362020	Cemetery	\$4,096
0818	001	Current Expense	5365030	Cemetery	\$1,850
0818	001	Current Expense	5365030	Cemetery	\$44
0818	001	Current Expense	5365030	Cemetery	\$1,574
0818	001	Current Expense	5365040	Cemetery	\$163
0818	001	Current Expense	5365040	Cemetery	\$1,259
0818	001	Current Expense	5365040	Cemetery	\$177
0818	001	Current Expense	5543040	Animal Control	\$1,200
0818	001	Current Expense	5549010	Other Environmental Services	\$1,789
0818	001	Current Expense	5549020	Other Environmental Services	\$625
0818	001	Current Expense	5549030	Other Environmental Services	\$62
0818	001	Current Expense	5549030	Other Environmental Services	\$56
0818	001	Current Expense	5549040	Other Environmental Services	\$119
0818	001	Current Expense	5560040	Chemical Dependency	\$500

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	001	Current Expense	5763020	Campgrounds	\$1,141
0818	001	Current Expense	5763030	Campgrounds	\$447
0818	001	Current Expense	5763030	Campgrounds	\$355
0818	001	Current Expense	5763040	Campgrounds	\$4,257
0818	001	Current Expense	5763040	Campgrounds	\$16
0818	001	Current Expense	5768010	General Parks	\$18,749
0818	001	Current Expense	5768020	General Parks	\$6,379
0818	001	Current Expense	5768030	General Parks	\$3,524
0818	001	Current Expense	5768030	General Parks	\$1,475
0818	001	Current Expense	5768030	General Parks	\$1,686
0818	001	Current Expense	5768030	General Parks	\$44
0818	001	Current Expense	5768040	General Parks	\$6,367
0818	001	Current Expense	5768040	General Parks	\$201
0818	001	Current Expense	5085100	Assigned Cash and Investments - Ending	\$7,361
0818	001	Current Expense	5089100	Unassigned Cash and Investments - Ending	\$314,102
0818	101	Street	5423010	Roadway	\$25,115
0818	101	Street	5423010	Roadway	\$3,924
0818	101	Street	5423020	Roadway	\$9,047
0818	101	Street	5423020	Roadway	\$44
0818	101	Street	5423020	Roadway	\$1,219
0818	101	Street	5423030	Roadway	\$4,767
0818	101	Street	5423030	Roadway	\$2,456
0818	101	Street	5426340	Street Lighting	\$25,421
0818	101	Street	5426430	Traffic Control Devices	\$361
0818	101	Street	5426610	Snow and Ice Control	\$14,241
0818	101	Street	5426620	Snow and Ice Control	\$4,829
0818	101	Street	5427030	Roadside	\$866
0818	101	Street	5429030	Maintenance Administration and Overhead	\$2,859
0818	101	Street	5433040	General Services	\$7,373
0818	101	Street	5433040	General Services	\$205
0818	101	Street	5433040	General Services	\$1,034
0818	101	Street	5083100	Restricted Cash and Investments - Ending	\$28,842
0818	101	Street	5085100	Assigned Cash and Investments - Ending	\$41,296

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	120	Emergency Medical Services	5221040	Administration	\$3,712
0818	120	Emergency Medical Services	5222030	Fire Suppression and Emergency Medical Services	\$184
0818	120	Emergency Medical Services	5222040	Fire Suppression and Emergency Medical Services	\$11,397
0818	120	Emergency Medical Services	5222040	Fire Suppression and Emergency Medical Services	\$624
0818	120	Emergency Medical Services	5224540	Training Obtained by Employees	\$210
0818	120	Emergency Medical Services	5225040	Facilities	\$244
0818	120	Emergency Medical Services	5225040	Facilities	\$770
0818	120	Emergency Medical Services	5226040	Vehicles and Equipment Maintenance	\$1,444
0818	120	Emergency Medical Services	5084100	Committed Cash and Investments - Ending	\$70,205
0818	122	Joint Board - Fire & EMS	5221010	Administration	\$2,600
0818	122	Joint Board - Fire & EMS	5221010	Administration	\$188
0818	122	Joint Board - Fire & EMS	5221020	Administration	\$452
0818	122	Joint Board - Fire & EMS	5221020	Administration	\$20
0818	122	Joint Board - Fire & EMS	5221020	Administration	\$1,119
0818	122	Joint Board - Fire & EMS	5221020	Administration	\$559
0818	122	Joint Board - Fire & EMS	5221030	Administration	\$659
0818	122	Joint Board - Fire & EMS	5221030	Administration	\$2,539
0818	122	Joint Board - Fire & EMS	5221030	Administration	\$2,235
0818	122	Joint Board - Fire & EMS	5221040	Administration	\$600
0818	122	Joint Board - Fire & EMS	5221040	Administration	\$300
0818	122	Joint Board - Fire & EMS	5221040	Administration	\$10,985
0818	122	Joint Board - Fire & EMS	5221040	Administration	\$3,712
0818	122	Joint Board - Fire & EMS	5222030	Fire Suppression and Emergency Medical Services	\$1,090
0818	122	Joint Board - Fire & EMS	5222030	Fire Suppression and Emergency Medical Services	\$184
0818	122	Joint Board - Fire & EMS	5222030	Fire Suppression and Emergency Medical Services	\$2,435
0818	122	Joint Board - Fire & EMS	5222040	Fire Suppression and	\$2,488

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	122	Joint Board - Fire & EMS	5225040	Facilities	\$488
0818	122	Joint Board - Fire & EMS	5225040	Facilities	\$244
0818	122	Joint Board - Fire & EMS	5225040	Facilities	\$1,541
0818	122	Joint Board - Fire & EMS	5225040	Facilities	\$770
0818	122	Joint Board - Fire & EMS	5226040	Vehicles and Equipment Maintenance	\$15,886
0818	122	Joint Board - Fire & EMS	5226040	Vehicles and Equipment Maintenance	\$1,444
0818	122	Joint Board - Fire & EMS	5084100	Committed Cash and Investments - Ending	\$30,907
0818	308	Fire Equipment Reserve	5084100	Committed Cash and Investments - Ending	\$68,704
0818	311	Police Car & Equipment	5217040	Traffic Policing	\$1,474
0818	311	Police Car & Equipment	5084100	Committed Cash and Investments - Ending	\$49,233
0818	313	EMS Vehicle Reserve	5084100	Committed Cash and Investments - Ending	\$49,089
0818	320	Special Capital Projects Fund	5083100	Restricted Cash and Investments - Ending	\$109,202
0818	401	Water Fund	5341010	Water Utilities	\$1,685
0818	401	Water Fund	5341010	Water Utilities	\$62,949
0818	401	Water Fund	5341020	Water Utilities	\$595
0818	401	Water Fund	5341020	Water Utilities	\$20,411
0818	401	Water Fund	5341030	Water Utilities	\$18,716
0818	401	Water Fund	5341030	Water Utilities	\$1,473
0818	401	Water Fund	5341040	Water Utilities	\$855
0818	401	Water Fund	5341040	Water Utilities	\$6,710
0818	401	Water Fund	5341040	Water Utilities	\$2,189
0818	401	Water Fund	5341040	Water Utilities	\$11,885
0818	401	Water Fund	5341040	Water Utilities	\$102
0818	401	Water Fund	5341040	Water Utilities	\$18,663
0818	401	Water Fund	5341040	Water Utilities	\$20,301
0818	401	Water Fund	5341040	Water Utilities	\$3,195
0818	401	Water Fund	5341040	Water Utilities	\$309
0818	401	Water Fund	5085100	Assigned Cash and Investments - Ending	\$202,522
0818	401	Water Fund	5085100	Assigned Cash and Investments - Ending	\$18,459
0818	401	Water Fund	5085100	Assigned Cash and Investments - Ending	\$31,911
0818	401	Water Fund	5085100	Assigned Cash and	\$144,822

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	404	Sewer Fund	5351030	Sewer/Reclaimed Water Utilities	\$2,115
0818	404	Sewer Fund	5351030	Sewer/Reclaimed Water Utilities	\$1,709
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$623
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$11,103
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$3,872
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$2,228
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$4,695
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$74
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$18,163
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$20,157
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$1,335
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$3,025
0818	404	Sewer Fund	5351040	Sewer/Reclaimed Water Utilities	\$28
0818	404	Sewer Fund	5353540	Sewer/Reclaimed Water Utilities	\$5,240
0818	404	Sewer Fund	5085100	Assigned Cash and Investments - Ending	\$91,438
0818	404	Sewer Fund	5085100	Assigned Cash and Investments - Ending	\$68,939
0818	404	Sewer Fund	5085100	Assigned Cash and Investments - Ending	\$264,625
0818	630	Sales Tax Remittance	5083100	Restricted Cash and Investments - Ending	\$2,806
0818	730	Cemetery Endowment	5083100	Restricted Cash and Investments - Ending	\$115,595
0818	001	Current Expense	3951000	Proceeds from Sales of Capital Assets (Cash Basis Only)	\$124
0818	001	Current Expense	3951000	Proceeds from Sales of Capital Assets (Cash Basis Only)	\$124
0818	001	Current Expense	3970000	Transfers-In	\$6,000
0818	101	Street	3951000	Proceeds from Sales of	\$3,874

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	001	Current Expense	5823000	Non-Fiduciary Remittance for Others	\$3,124
0818	001	Current Expense	5899000	Holding and Clearing Account Transactions	\$253
0818	001	Current Expense	5947560	Capital Expenditures/Expenses - Cultural and Recreational Facilities	\$1,546
0818	001	Current Expense	5970000	Transfers-Out	\$36,582
0818	001	Current Expense	5970000	Transfers-Out	\$4,500
0818	101	Street	5953030	Capital Expenditures/Expenses - Roadway	\$4,963
0818	101	Street	5953040	Capital Expenditures/Expenses - Roadway	\$18,037
0818	101	Street	5959560	Capital Expenditures/Expenses - Construction Administration and Overhead	\$225,530
0818	120	Emergency Medical Services	5942260	Capital Expenditures/Expenses - Fire Suppression and EMS Services	\$56
0818	120	Emergency Medical Services	5970000	Transfers-Out	\$25,000
0818	122	Joint Board - Fire & EMS	5942260	Capital Expenditures/Expenses - Fire Suppression and EMS Services	\$128
0818	122	Joint Board - Fire & EMS	5942260	Capital Expenditures/Expenses - Fire Suppression and EMS Services	\$56
0818	311	Police Car & Equipment	5942160	Capital Expenditures/Expenses - Law Enforcement Services	\$1,294
0818	320	Special Capital Projects Fund	5970000	Transfers-Out	\$32,750
0818	401	Water Fund	5829000	Immaterial Fiduciary Remittance	\$10
0818	401	Water Fund	5913470	Debt Repayment - Water Utilities	\$61,282
0818	401	Water Fund	5913470	Debt Repayment - Water Utilities	\$10,000
0818	401	Water Fund	5923480	Interest and Other Debt Service Cost - Water	\$5,735

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0818	401	Water Fund	5943460	Capital Expenditures/Expenses - Water Utilities	\$1,705
0818	404	Sewer Fund	5943460	Capital Expenditures/Expenses - Water Utilities	(\$845)
0818	404	Sewer Fund	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$3,785
0818	630	Sales Tax Remittance	5893000	Custodial Type Remittances	\$531
0818	730	Cemetery Endowment	5970000	Transfers-Out	\$6,000

**SCHEDULE SUMMARY OF BANK RECONCILIATION**  
For the Fiscal Year ended December 31, {year}

CASH BARS Schedule 06 Instructions Link

FROM BANK STATEMENTS						
Bank & Investment Account name (1)	Beginning Bank Balance (2)	Deposits		Withdrawals		Ending Bank Balance (7)
		Receipts (3)	Inter-bank transfers In (4)	Disbursements (5)	Inter-bank transfers out (6)	
1-Premium Checking	\$ 176,407	\$ 1,031,608	\$ 351,700	\$ 1,221,832	\$ -	\$ 337,883
2-LGIP	\$ 1,630,001	\$ 374,932			\$ 351,700	\$ 1,653,234
4-Petty Cash	\$ 190	\$ -	\$ -	\$ -	\$ -	\$ 190
7-PD Confidential Fund	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
<b>Bank Totals</b>	<b>\$ 1,807,098</b>	<b>\$ 1,406,541</b>	<b>\$ 351,700</b>	<b>\$ 1,221,832</b>	<b>\$ 351,700</b>	<b>\$ 1,991,807</b>

RECONCILING ITEMS						
Beginning Deposits in Transit (8)	\$ -	\$ -				
Year-end Deposits in Transit (9)		\$ 12,383				\$ 12,383
Beginning Outstanding & Open Period Items (10)	\$ (42,363)			\$ (42,363)		
Year-end Outstanding & Open Period Items (11)				\$ 294,132		\$ (294,132)
NSF Checks (12)		\$ -		\$ -		
Cancellation of unredeemed checks/warrants (13)		\$ -				
Interfund transactions (14)		\$ 104,832		\$ 104,832		
Netted Transactions (15)		\$ (22,304)		\$ (22,304)		
Authorized balance of revolving, petty cash and change funds (16)	\$ -					+
Other Reconciling Items, net (17)	\$ -	\$ 5,544		\$ 5,544		+ / -
<b>Reconciling Items Totals</b>	<b>\$ (42,363)</b>	<b>\$ 100,454</b>		<b>\$ 339,841</b>		<b>\$ (281,750)</b>

FROM GENERAL LEDGER						
	Beginning Cash & Investment Balance (19)	Revenues & Other Increases (20)		Expenditures & Other Decreases (21)		Ending Cash & Investment Balance (22)
	C4/C5 or Trial Balance Totals (18)	\$ 1,764,735	\$ 1,507,031		\$ 1,561,710	
Unreconciled Variance (23)	\$ (0)	\$ (37)		\$ (36)		\$ 1

**City of Palouse  
Schedule of Liabilities  
For the Year Ended December 31, 2021**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
263.96	LOCAL Solar Panels	12/1/2029	102,811	-	10,000	92,811
263.87	Water System Improvements	7/1/2025	184,584	-	61,283	123,301
263.83	Sewer Plant Engineering	1/1/2030	167,670	-	13,367	154,303
<b>Total General Obligation Debt/Liabilities:</b>			<b>455,065</b>	<b>-</b>	<b>84,650</b>	<b>370,415</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences		33,379	-	4,460	28,919
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>33,379</b>	<b>-</b>	<b>4,460</b>	<b>28,919</b>
<b>Total Liabilities:</b>			<b>488,444</b>	<b>-</b>	<b>89,110</b>	<b>399,334</b>

**City of Palouse**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)**  
**For Fiscal Year ended December 31, 2021**

Grantor	Program Title	Identificaton Number	Amount
Capital Contributions - State Grant from Department of Transportation			
	Complete Streets Award	C-E-916(001)-1	225,530
		<b>Sub-total:</b>	<b>225,530</b>
Capital Contributions - State Grant from Department of Health			
	Trauma/Prehospital Grant	AIDV.ES.000000835	2,221
		<b>Sub-total:</b>	<b>2,221</b>
		<b>Grand total:</b>	<b>227,751</b>

**City of Palouse**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Department of Commerce)	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	2021	150,000	-	150,000	-	
<b>Total Federal Awards Expended:</b>				<b>150,000</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	

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

City of Palouse

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the city's financial statements. The city uses the cash basis accounting.

Note 2 – Federal De Minimis Indirect Cost Rate

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

Note 3 – Federal Loans

(a) The city was approved by the EPA and the PWB to receive a loan totaling \$170,268.08 to improve its drinking water system. The amount listed for this loan includes the beginning of the period loan balance plus proceeds used during the year. The balance owing at the end of the period is \$154,302.60.

Both the current and prior year loans are reported on the city's Schedule of Liabilities – note disclosure].

**Labor Relations Consultant(s)**  
**For the Year Ended December 31, 20\_\_**

Has your government engaged labor relations consultants? \_\_\_ Yes X No

If yes, please provide the following information for each consultant:

Name of firm:
Name of consultant:
Business address:
Amount paid to consultant during fiscal year:
Terms and conditions, as applicable, including:  Rates (e.g., hourly, etc.):  Maximum compensation allowed:  Duration of services:  Services provided:

Fealy, Walter	Public Works	Comp Time	25.5	23.26	1	593.13
Fealy, Walter	Public Works	Sick Pay	164	23.26	1	3814.64
Fealy, Walter	Public Works	Vacation	80	23.26	1	1860.8
Weagraff, Evan M	Public Works	Comp Time	32.5	19.02	1	618.15
Weagraff, Evan M	Public Works	Sick Pay	32	19.02	1	608.64
Wolf, Michael W	Public Works	Sick Pay	308.5	26.24	1	8095.04
Wolf, Michael W	Public Works	Vacation	116	26.24	1	3043.81

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
LEOFF 2		0.00360000%	-3,425,562,000		(123,320)
LEOFF 2	6820	0.00003421%	-5,808,414,000		(1,987)
VFFRPF	480	0.250000%			(54,300)
<i>Totals</i>				\$ -	\$ (179,607)

Plan Name	Plan Administrator	Type (DBP or DCP)

Payments This  
Year

0

Interest	Total Payment	Total remaining
1,562.50	11,562.50	
1,062.50	1,562.50	80,000.00
1,562.50	11,562.50	70,000.00
1,312.50	1,312.50	
1,062.50	11,312.50	60,000.00
1,062.50	1,062.50	
1,062.50	11,062.50	50,000.00
812.50	812.50	
812.50	10,812.50	40,000.00
562.50	562.50	
562.50	10,562.50	30,000.00
312.50	312.50	
312.50	10,312.50	20,000.00
212.50	10,212.50	
112.50	10,112.50	10,000.00
112.50	112.50	
112.50	10,112.50	-

Combined

Date	Principal
6/1/2021	47918.91
6/1/2022	47918.99
6/1/2023	47918.99
6/1/2024	47918.89

Table for Long Te

	Principal
2022	73884.39
2023	74722.98
2024	74807.17
2025	27315.53
2026	27489.46
2027-2029	30000

308219.53

Interest	Total Payment	170,268.08
1,611.63	Total Payment	170,268.08
773.12	17,576.78	154,302.60
688.93	17,577.11	137,498.61
604.31	17,577.11	120,610.43
5,190.27	17,577.11	103,637.63
433.80	22,248.11	86,579.79
347.91	17,577.11	69,436.48
261.58	17,577.11	52,207.28
174.82	17,577.11	34,891.75
87.63	17,577.11	17,489.46

17,577.09

-

Interest	Total Payment	Total remaining
1520.41	49,439.32	143,756.69
1207.26	49,126.45	95,837.70
805.03	48,723.94	47,918.71
402.53	48,321.42	(0.18)

DOE

Date
9/1/2021
3/1/2022
9/1/2023
3/1/2023
9/1/2023
3/1/2024
9/1/2024
3/1/2025
9/1/2025
3/1/2026

Term Debt in Notes

Interest	Total
5757.04	79,641.43
4855.38	79,578.36
3059.24	77,866.41
1811.4	29,126.93
962.63	28,452.09
862.5	30,862.50
17308.19	325,527.72

Principal	Interest	Total Payment	170,268.08
15,965.48	1,611.63	17,576.78	154,302.60
16,803.99	773.12	17,577.11	137,498.61
16,888.18	688.93	17,577.11	120,610.43
16,972.80	604.31	17,577.11	103,637.63
17,057.84	5,190.27	22,248.11	86,579.79
17,143.31	433.80	17,577.11	69,436.48
17,229.20	347.91	17,577.11	52,207.28
17,315.53	261.58	17,577.11	34,891.75
17,402.29	174.82	17,577.11	17,489.46
17,489.46	87.63	17,577.09	-

-

Grantor	Program Title	Fed/State	Direct/Indirect
Capital Contributions, State Grant from Transportation Improvement Board (TIB)	Safe Streets	State	Direct
State Grant From Department of Health	Trauma/Prehospital Grant	State	Direct
Department Offices. Treasury, Department of the (vis WA State Dept. of Commerce	America Rescue Plan Act	Federal	Indirect

CFDA #	Amount Received	Prepare Expenditures (From BIAS or manually)
C-E-916(001)-1)	171768	
AIDV.ES.00000835	1260	
21.027	150042	

Fund Types & Funds	Number Range	Have	Do Not Have
<b>Governmental Fund Types</b>		X	
General Fund	000-099	X	
Special Revenue Funds	100-199	X	
Debt Service Funds	200-299		X
Capital Projects Funds	300-399	X	
Permanent Funds	700-799	X	
<b>Proprietary Fund Types</b>			
Enterprise Funds	400-499	X	
Internal Service Funds	500-599		X
<b>Fiduciary Fund Types</b>			
Pension	610-619		X
Investment Trust Funds	600-609		X
Private-Purpose Funds	620-629		X
Custodial Funds	630-699	X	

## Description

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

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

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

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

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

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

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

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

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

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

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

Fund Name	Portion of Ending Balance		Combined	Reason for Restriction or Commitment
	Restricted	Committed		
Fund 102	245,509		245,509	Arterial Street Restricted
Fund 320	136,697		136,697	Special Capital Projects Restricted
Fund 730	120,011		120,011	Cemetery Endowment Restricted Per RCW
<i>Totals</i>	502,217	0	502,217	

Fund/Department	Final Appropriated		
	Amounts	Actual Expenses	Variance
Current Expense	608,811.00	605,874.77	2,936.23
Cemetery	25,855.00	20,185.79	5,669.21
<b>Total 001 - Current Expense</b>	<b>634,666.00</b>	<b>626,060.56</b>	<b>8,605.44</b>
Street	102,750.00	98,617.88	4,132.12
Arterial Streets	249,500.00	253,673.35	-4,173.35
<b>Total 101 - Street</b>	<b>352,250.00</b>	<b>352,291.23</b>	<b>-41.23</b>
<b>120 - Emergency Medical Services</b>	<b>51,144.00</b>	<b>46,934.71</b>	<b>4,209.29</b>
<b>122 - Joint Board - Fire &amp; EMS</b>	<b>65,175.00</b>	<b>54,040.03</b>	<b>11,134.97</b>
<b>308 - Fire Equipment Reserve</b>			
<b>311 - Police Car &amp; Equipment</b>	<b>3,300.00</b>	<b>2,767.35</b>	<b>532.65</b>
<b>313 - EMS Vehicle Reserve</b>			
<b>320 - Special Capital Projects Fund</b>	<b>32,750.00</b>	<b>32,750.00</b>	
Water Fund	183,475.00	181,132.27	2,342.73
Water Capital Improvement	12,720.00	14,355.29	-1,635.29
Pump Maintenance Reserve	5,000.00	1,705.22	3,294.78
Water System Reserve	82,600.00	82,517.38	82.62

Title for Disclosure
Interfund Transfer

**Details for Disclosure**

The City had a material transfer between current expense fund 001 and the cemetery fund 103 for cemetery upkeep in the amount of \$16,000

The City had a material transfer between arterial streets fund 102 and the streets maintenance fund 101 for street maintenance in the amount of \$5,000

The City had a material transfer between the water fund 401 and the pump maintenance reserve fund 411 in the amount of \$15,000

The City had a material transfer between the water fund 401 and the water capital improvements fund 410 in the amount of \$6,000

The City had a material transfer between the water fund 401 and the water reserve fund 412 in the amount of \$5,000

**COVID 19 Pandemic Disclosure Details**

follows:

Community and Public Services, Non-Profits:	
Joint Fire Board, Fire/EMS	\$71,000
Palouse Community Center	
Palouse Print Museum	
Palouse Library	
Palouse Library	
Business Relief	
Microgrant redistribution to businesses (Chamber of Commerce)	\$60,000.00
Other/Infrastructure (City of Palouse)	
PPE for public and city use	\$4,530.00
Palouse Community Pool	
	<b>TOTAL \$135,530.00</b>

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
			0
			0
			0
	<i>Totals</i>	0	0

Year	Principal	Interest	Total Debt Service
2022	73884.39	5757.04	79641.43
2023	74722.98	4855.38	79578.36
2024	74807.17	3059.24	77866.41
2025	27315.53	1811.4	29126.93
2026	27489.46	962.63	28452.09
2027-2031	30000	862.5	30862.5
<i>Totals</i>	308,220	17,308	325,528

Borrowing Fund	Lending Fund	Beginning Balance	New Loans	Payments	Ending Balance

**Details for Disclosure**

The is a discrepancy with the prior amount listed in the annual report from the former City Administrator. I am working with the PWB to determine the cause of the error

The is a discrepancy with the prior amount listed in the annual report from the former City Administrator. I am working with them to determine the cause of the error


**Outstanding Loans**

Public Works Board Loan

Water System Upgrade Loan