

AGENDA
CITY OF STEVENSON COUNCIL MEETING
December 18, 2025
6:00 PM, City Hall and Remote

Call-in numbers 253-215-8782, 669-900-6833, 346-248-7799, 312-626-6799, 929-205-6099 or
301-715-8592, Webinar ID 882 5120 2134, Zoom
link <https://us02web.zoom.us/j/88251202134>

or via YouTube at <https://www.youtube.com/channel/UC4k9bA0IEEvsF6PSoDwjJvA/>

Items with an asterisk (*) have been added or modified after the initial draft publication of the Agenda.

1. CALL TO ORDER/PRESENTATION TO THE FLAG: Mayor to call the meeting to order, lead the group in reciting the pledge of allegiance and conduct roll call.

2. PUBLIC COMMENTS: *[This is an opportunity for members of the audience to address the Council. If you wish to address the Council, please sign in to be recognized by the Mayor. Comments are limited to three minutes per speaker. The Mayor may extend or further limit these time periods at his discretion. The Mayor may allow citizens to comment on individual agenda items outside of the public comment period at his discretion. Please submit written comments to City Hall in person at 7121 E. Loop Rd, via mail to PO Box 371, Stevenson, WA 98648 or via email to wesley@ci.stevenson.wa.us by noon the day of the meeting for inclusion in the council packet.]*

a) Submitted Public Comment

3. CHANGES TO THE AGENDA: *[The Mayor may add agenda items or take agenda items out of order with the concurrence of the majority of the Council].*

4. CONSENT AGENDA: The following items are presented for Council approval. *[Consent agenda items are intended to be passed by a single motion to approve all listed actions. If discussion of an individual item is requested by a Council member, that item should be removed from the consent agenda and considered separately after approval of the remaining consent agenda items.]*

- a) City Engineering Contract** - The City currently contracts with Schell Engineering which is involved in multiple ongoing projects. This one year contract extension will allow these projects to be completed after which we will solicit for a new engineering firm.
- b) Cascade Renewable Transmission Project Representative Appointment** - Council is asked to appoint Jeff Breckel to be the City's representative to work with the

Washington State Energy Facility Site Evaluation Council for the Cascade Renewable Transmission Project.

- c) **Minutes** of November 2025.

MOTION: To approve consent agenda items a-c.

5. SHERIFF'S OFFICE REPORT:

- a) **Sheriff's Report** - The Skamania County Sheriff's report for activity within Stevenson city limits for the prior month is presented for council review.

6. COUNCIL BUSINESS:

- a) **Resolution 2025-462 Banking Authorizations** - Council is presented with Resolution 2025-462 authorizing the removal of Mayor Scott Anderson and adding Mayor-Elect Jennifer Taylor as signers on City bank accounts.
- b) **Resolution 2025-463 2026 Salary Scale** - Council is presented with Resolution 2025-463 setting the City staff salary scale for 2026.
- c) **ILA 2025-1204 Prosecuting Attorney** - Council is presented with Interlocal Agreement 2025-1204 between the City and Skamania County for prosecutorial legal services.
- d) **ILA 2025-1209 Probation Services** - Council is presented with Interlocal Agreement 2025-1209 between the City and Skamania County for probation services.
- e) **ILA 2025-1210 Municipal Court Services** - Council is presented with Interlocal Agreement 2025-1210 between the City and Skamania County for municipal court services.
- f) **ILA 2025-1212 Law Enforcement** - Council is presented with Interlocal Agreement 2025-1212 between the City and Skamania County for law enforcement services.

7. INFORMATION ITEMS:

- a) **2024 Financial Audit** - Attached is the report from the State Auditor's Office on the city's 2024 financial audit.
- b) **Financial Report** - The Treasurer's Report and year-to-date revenues and expenses through the prior month are presented for council review.
- c) **Planning Commission Minutes** - Minutes are attached from the Planning Commission meeting for the prior month.

8. CITY ADMINISTRATOR AND STAFF REPORTS:

- a) Cody Rosander, Public Works Director
- b) Wesley Wootten, City Administrator

9. VOUCHER APPROVAL: Vouchers will be presented prior to the meeting for council review.

10. MAYOR AND COUNCIL REPORTS:

11. ISSUES FOR THE NEXT MEETING: *[This provides Council Members an opportunity to focus the Mayor and Staff's attention on issues they would like to have addressed at the next council meeting.]*

12. ADDITIONAL PUBLIC COMMENT: *[This is an opportunity for members of the audience to address the Council for items discussed at the meeting.]*

13. ADJOURNMENT - Mayor will adjourn the meeting.

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Stevenson City Council Meeting

December 20, 2025

Public Comment Received

I am raising concerns regarding public safety and public trust involving law-enforcement personnel assigned to patrol within the City of Stevenson .

Specifically, I believe the City should review:

- Whether any SCSO employee assigned to city patrol duties has **Brady/Giglio credibility concerns**,
- Whether the City is aware of such issues,
- How this may affect prosecutions, citizen interactions, officer safety, and city liability,
- And whether the City of Stevenson taxpayers may be placed with an unnecessary risk if assigned personnel from SCSO have documented credibility problems in prior jurisdictions.

These concerns are not accusations against any one individual, but rather **questions of public policy, transparency, and oversight**, which every city government has a duty to evaluate. Ensuring that officers assigned to city patrol are held to the highest standards protects both the community and the officers themselves.

Additionally, residents have reported seeing SCSO patrol employees frequenting certain homes or neighborhoods over a period of years in NB . While this may be entirely innocent, the lack of clear information from SCSO contributes to community speculation. Increased transparency would help restore public confidence.

I am asking the Council to:

1. Formally review the staffing practices used by SCSO when assigning deputies to the city of Stevenson .
2. Determine whether any assigned officer has Brady/Giglio disclosure obligations.
3. Consider whether the City should request that SCSO refrain from assigning any officer with documented credibility issues to patrol within city limits.

These are reasonable questions grounded in public safety and responsible governance.

Thank you for your time and attention.



Summer N. Scheyer
SHERIFF

OFFICE OF THE SKAMANIA COUNTY

SHERIFF

PO Box 790
200 Vancouver Ave.
Stevenson WA 98648
Phone (509)427-9490
Fax (509)427-4369
www.skamaniasheriff.com
scso@co.skamania.wa.us

Tracy Wyckoff
Undersheriff

Steve Minnis
Chief of Corrections

Ondine Obias
Chief Civil Deputy

November 2025

Total 103

City of Stevenson

Calls/Patrol

Calls - 77

Medical - 25

Fire - 1

Service Hour

Hrs. – 438.25

OT- 10

Court Hrs. - 0

Milage – 1,386

12/02/25
09:01Skamania County Sheriff's Office
Incident Audit Report5059
Page: 1

Incident#	Nature of Incident	Offense Code	Loctn Code	Disposition
25-07233	Medical	AMAS	21	Transferred to Other A
25-07258	Traffic Stop	TOFF	21	CLEARED DRIVER CITED
25-07261	Citizen Assist	CITA	21	Investigation Complete
25-07266	Found Property	LFPR	21	Investigation Complete
25-07287	Medical	AMAS	21	Transferred to Other A
25-07288	Medical	AMAS	21	Transferred to Other A
25-07289	Req Traff Enf	RTEN	21	UNABLE TO LOCATE
25-07298	Medical	INFO	21	Transferred to Other A
25-07301	Business Alarm	ABLA	21	Investigation Complete
25-07302	Business Alarm	ABLA	21	Unfounded
25-07305	Trespassing	TRES	21	UNABLE TO LOCATE
25-07306	Citizen Dispute	CDIS	21	Settled By Contact
25-07309	Found Animal	ANDC	21	Settled By Contact
25-07326	Hospice Death	HOSP	21	Investigation Complete
25-07329	Trespassing	TRES	21	Investigation Complete
25-07335	Medical	AMAS	21	Transferred to Other A
25-07343	Medical	TAPD	21	Transferred to Other A
25-07348	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07352	Req Traff Enf	RTEN	21	UNABLE TO LOCATE
25-07354	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07355	Suspicious	PSC	21	Settled By Contact
25-07356	Business Alarm	ABLA	21	INFORMATION
25-07386	Information	INFO	21	Cleared Adlt Exception
25-07399	Eluding - Att	ATL	21	Unfounded
25-07404	Found Property	LFPR	21	INFORMATION
25-07406	Littering	LPPR	21	INFORMATION
25-07409	Medical	AMAS	21	Transferred to Other A
25-07419	Information	INFO	21	INFORMATION
25-07420	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07424	Harrassment.	HARR	21	Investigation Complete
25-07425	Mental Subject	MENT	21	Investigation Complete
25-07428	Wanted Person	WANT	21	Investigation Complete
25-07432	Medical	AMAS	21	Transferred to Other A
25-07437	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07445	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07447	Traffic Stop	THAZ	21	CLEARED DRIVER WARNING
25-07448	Req Traff Enf	RTEN	21	Settled By Contact
25-07465	Medical	AMAS	21	INFORMATION
25-07466	Suspicious	PSC	21	Cleared Adlt Exception
25-07467	Trespassing	HARR	21	Cleared Adlt Exception
25-07470	APS/CPS Referral	WELF	21	Cleared Adlt Exception
25-07475	APS/CPS Referral	ASST	21	Settled By Contact
25-07484	Citizen Dispute	CDIS	21	Cleared Adlt Exception
25-07485	Suspicious	PSC	21	UNABLE TO LOCATE
25-07493	Juvenile Prob	JUVV	21	UNABLE TO LOCATE
25-07501	Traffic Stop	TOFF	21	CLEARED DRIVER CITED
25-07503	Medical	AMAS	21	INFORMATION
25-07515	Medical	AMAS	21	Transferred to Other A
25-07516	Vio Court Order	VNCO	21	Active
25-07524	Medical	INFO	21	Transferred to Other A
25-07525	Suspicious	SUSP	21	Settled By Contact
25-07526	Business Alarm	ABLA	21	Settled By Contact
25-07527	Medical	AMAS	21	Transferred to Other A
25-07540	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07543	Residential Ala	FIRE	21	Transferred to Other A

12/02/25
09:01Skamania County Sheriff's Office
Incident Audit Report5059
Page: 2

Incident#	Nature of Incident	Offense Code	Loctn Code	Disposition
25-07544	Medical	AMAS	21	Transferred to Other A
25-07554	Parking Problem	PARK	21	Investigation Complete
25-07556	Traffic Stop		21	CLEARED DRIVER WARNING
25-07561	Theft Prop Oth	TPOT	21	Active
25-07562	Traffic Stop		21	CLEARED DRIVER WARNING
25-07565	Traffic Stop		21	CLEARED DRIVER WARNING
25-07573	Medical	AMAS	21	Transferred to Other A
25-07583	Medical	AMAS	21	Transferred to Other A
25-07584	Medical	AMAS	21	Active
25-07586	Information	INFO	21	Cleared Adlt Exception
25-07587	Wanted Person	ATL	21	Active
25-07589	Medical	AMAS	21	Settled By Contact
25-07594	Theft Prop Oth	911T	21	Transferred to Other A
25-07601	Welfare Check	WELF	21	Settled By Contact
25-07606	Suspicious	SUSP	21	Settled By Contact
25-07614	Traffic Stop		21	CLEARED DRIVER WARNING
25-07620	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07636	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07637	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07640	Information	INFO	21	INFORMATION
25-07643	Trespassing	TRES	21	Investigation Complete
25-07645	Harrassment.	HARR	21	Investigation Complete
25-07649	Theft Prop Oth	TPOT	21	Cleared Adlt Exception
25-07653	Information	INFO	21	Investigation Complete
25-07658	Medical	AMAS	21	Transferred to Other A
25-07659	Traffic Stop		21	CLEARED DRIVER WARNING
25-07660	Traffic Stop		21	CLEARED DRIVER WARNING
25-07671	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07680	Medical	AMAS	21	Transferred to Other A
25-07683	Juvenile Prob	JUVP	21	Investigation Complete
25-07686	Medical	AMAS	21	Transferred to Other A
25-07691	Fraud	FRAU	21	Investigation Complete
25-07692	Fraud	FRAU	21	Investigation Complete
25-07698	Medical	AMAS	21	Transferred to Other A
25-07701	Domestic Viol	DOMV	21	Unfounded
25-07703	Medical	AMAS	21	Transferred to Other A
25-07710	Abandon Private	ABVP	21	Transferred to Other A
25-07715	Traffic Stop	TOFF	21	CLEARED DRIVER WARNING
25-07720	Found Property	LFPR	21	Settled By Contact
25-07731	Suspicious	PSC	21	Settled By Contact
25-07735	Medical	INFO	21	Transferred to Other A
25-07740	Req Traff Enf	RTEN	21	Transferred to Other A
25-07744	Business Alarm	ABLA	21	Unfounded
25-07751	Harrassment.	HARR	21	Settled By Contact
25-07755	Vio Court Order	VICO	21	Settled By Contact
25-07756	Suspicious	PSC	21	UNABLE TO LOCATE
25-07757	Suspicious	PSC	21	Settled By Contact
25-07758	Medical	AMAS	21	Transferred to Other A

Total Incidents: 103

Report includes:

All dates reported between `00:00:00 11/01/25` and `00:00:00 11/30/25`

All agencies matching `SCSO`

All nature of incidents

12/02/25
09:01

Skamania County Sheriff's Office
Incident Audit Report

5059
Page: 3

All offenses observed
All offenses reported
All offense codes
All dispositions
All responsible officers
All locations matching `21`

*** End of Report /tmp/rpt7qaxIH-rplwiar.r1_1 ***

12/02/25
09:02

Skamania County Sheriff's Office
Incident Audit Report

5059
Page: 1

Incident#	Nature of Incident	Offense Code	Loctn Code	Disposition
25-07233	Medical	AMAS	21	Transferred to Other A
25-07287	Medical	AMAS	21	Transferred to Other A
25-07288	Medical	AMAS	21	Transferred to Other A
25-07298	Medical	INFO	21	Transferred to Other A
25-07335	Medical	AMAS	21	Transferred to Other A
25-07343	Medical	TAPD	21	Transferred to Other A
25-07409	Medical	AMAS	21	Transferred to Other A
25-07432	Medical	AMAS	21	Transferred to Other A
25-07465	Medical	AMAS	21	INFORMATION
25-07503	Medical	AMAS	21	INFORMATION
25-07515	Medical	AMAS	21	Transferred to Other A
25-07524	Medical	INFO	21	Transferred to Other A
25-07527	Medical	AMAS	21	Transferred to Other A
25-07544	Medical	AMAS	21	Transferred to Other A
25-07573	Medical	AMAS	21	Transferred to Other A
25-07583	Medical	AMAS	21	Transferred to Other A
25-07584	Medical	AMAS	21	Active
25-07589	Medical	AMAS	21	Settled By Contact
25-07658	Medical	AMAS	21	Transferred to Other A
25-07680	Medical	AMAS	21	Transferred to Other A
25-07686	Medical	AMAS	21	Transferred to Other A
25-07698	Medical	AMAS	21	Transferred to Other A
25-07703	Medical	AMAS	21	Transferred to Other A
25-07735	Medical	INFO	21	Transferred to Other A
25-07758	Medical	AMAS	21	Transferred to Other A

Total Incidents: 25

Report includes:

All dates reported between `00:00:00 11/01/25` and `00:00:00 11/30/25`
 All agencies matching `SCSO`
 All nature of incidents matching `Medical`
 All offenses observed
 All offenses reported
 All offense codes
 All dispositions
 All responsible officers
 All locations matching `21`

*** End of Report /tmp/rpt7qaxIH-rplwiar.r1_2 ***

November 2025	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	Totals

**CITY OF STEVENSON
RESOLUTION NO. 2025-462**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STEVENSON
GRANTING SIGNATURE AUTHORITY FOR BANKING SERVICES**

Recitals

WHEREAS, the term for Mayor Scott Anderson will end effective December 31, 2025 and Jennifer Taylor was elected to the position effective January 1, 2025.

NOW, THEREFORE, the City Council of the City of Stevenson does hereby resolve as follows:

Effective January 1, 2026, Mayor Jennifer Taylor is to be added as an authorized signer to the following bank accounts / banking services for the City of Stevenson, and former Mayor Scott Anderson is to be removed:

Umpqua Bank:	
General Checking:	2100004130
State of Washington	
Local Government Investment Pool	02220
Statewide Payee Contact	SWV 0019082
US Bank VISA card contract	Currently xxxx4623 & xxxx4631
US Bank Safekeeping Account	386000267

PASSED by the Council of the City of Stevenson this 18th day of December, 2025 to be effective January 1, 2026.

Mayor of the City of Stevenson

ATTEST:

APPROVED AS TO FORM:

Clerk of the City of Stevenson

City Attorney

**CITY OF STEVENSON
RESOLUTION NO. 2025-463**

**A RESOLUTION OF THE CITY OF STEVENSON
REVISING THE SALARY SCALE**

WHEREAS, the salary schedule for fiscal year 2025 was adopted by the City Council on December 19th, 2024 via Resolution 2024-446; and

WHEREAS, the City wishes to revise the salary scale to reflect a cost of living increase of 2.6% for 2026.

NOW, THEREFORE, be it resolved, by the City Council of the City of Stevenson, Washington, that:

1. The salary scale attached as exhibit A is hereby accepted, effective January 1, 2026.

ADOPTED this 18th day of December, 2025.

Mayor of the City of Stevenson

ATTEST:

Clerk of the City of Stevenson

APPROVED AS TO FORM:

Attorney for the City of Stevenson

INTERLOCAL AGREEMENT FOR LEGAL SERVICES (PROSECUTING ATTORNEY)

THIS AGREEMENT, entered into this _____ day of December, 2025 is by and between the **CITY OF STEVENSON**, a Municipal Corporation located in the County of Skamania, State of Washington, (hereinafter referred to as "City"), and **SKAMANIA COUNTY**, a legal subdivision of the State of Washington, by and through its Prosecuting Attorney (hereinafter referred to as "Attorney").

The parties recite and declare:

1. This Agreement is entered into pursuant to the laws of the State of Washington, including the Interlocal Cooperation Act, Chapter 39.34 RCW, and each of the parties hereto represents that it has authority to execute the same.
2. The City is in need of an attorney to perform and render legal assistance to the City.
3. The Attorney or its Deputies are persons who, through education and experience, possess the requisite skills to provide competent legal services for the City.
4. The Attorney intends to assign its district court deputy prosecutor to serve as its primary City Prosecutor, but any of the attorneys employed by the Skamania County Prosecutors Office may appear as needed or dictated by office need. In the event the Prosecuting Attorney's office is unable to adequately perform this contract, the City shall have the right to contract directly with a private attorney and to simultaneously terminate this agreement without penalty.
5. The City is, therefore, desirous of engaging the services of the Attorney for prosecution services for crimes over which the City of Stevenson has jurisdiction.

For the reasons set forth above and in consideration of the mutual covenants and promises of the parties hereto, the Attorney and City agree as follows:

Section One Purpose of Employment

City hereby employs Attorney and counselor at law to perform and render legal services to the City as its Prosecuting Attorney. Skamania County, through its Prosecuting Attorney, is hereby designated as the City Prosecutor for the purposes of RCW 3.50.100 and all other applicable governing municipal prosecution.

Section Two Acceptance and Duration of Employment

The City does hereby employ and retain the Attorney as its attorney for and during a period commencing on the 1st day of January 2026, and ending on the 31st day of December, 2027, for the performance of legal services herein set forth. This Agreement shall be automatically extended if neither party requests amendments or gives notice of intent to terminate the agreement prior to December 1, 2026, or any December 1 thereafter.

Section Three **Place of Work**

It is understood the Attorney's service will be rendered largely at his offices in the County Courthouse in Stevenson, Washington, but the Attorney will, on request, come to the Municipal Offices of the City at 7121 NW Loop Rd., Stevenson, Washington, or such other places as designated by the City, to meet with representatives of the City, as needed and requested.

Section Four **Nature of Duties**

1. As Prosecuting Attorney for the City, Attorney shall perform all criminal prosecution legal services required by law on behalf of the City whenever, and to the extent required by the City, shall represent the City in any and all municipal court actions, suits or proceedings in all courts of the State of Washington or competent jurisdiction originating in city municipal court; shall prepare and all pleadings and documents necessary and proper in connection with the prosecution of misdemeanants and gross misdemeanants committing violations within the City limits; and, in general, to render all such prosecution related legal services of every kind and nature as the City shall reasonably require or deem proper in its business.

2. The Attorney acknowledges the City schedules Municipal Court hearings in Skamania County District Court, and also requires the services of the Prosecuting Attorney on dates scheduled for prosecution of jury trials at Skamania County Superior Court.

3. Acting as the City Prosecutor, including, without limitation, representing the City in Municipal Court, District Court, Superior Court, or any higher Court on criminal charges and/or infractions occurring in the City of Stevenson not otherwise prosecuted by Skamania County.

4. Preparation of Intent to File Theft Charges letters for City of Stevenson.

5. Filings, docketing, discovery requests, preparation of subpoenas as required to perform duties specified in Section Four paragraph 1.

6. The County shall comply with all Washington laws governing prosecutorial conduct, including CrRLJ and CrR provisions, *Brady/Giglio* obligations, and all ethical rules under the Washington Rules of Professional Conduct.

Section Five **Compensation**

The City agrees to pay the Attorney at the rate of Two Thousand and 00/100 Dollars (\$2,000) Dollars per month, payable monthly as a lump-sum retainer, for the above services performed by the Attorney on the City's behalf. In consideration of the monthly payment, the Attorney shall provide the City with quarterly summaries of case statistics and prosecution activities, including case filings, dismissal, deferred prosecutions, and jury trials. Commencing January 1, 2027, and each year thereafter that this agreement is renewed or extended, the City agrees to increase this payment by

three percent (3%) over the previous year.

Section Six **Nature of Employment**

The Attorney and Skamania County shall serve as an independent contractor of the City of Stevenson and shall not be employed by the City. Nothing precludes the Attorney or the County from entering into similar agreements, provided they do not directly conflict with Attorney's ability to carry out the terms of this agreement.

Section Seven **Termination**

Either party may terminate this Agreement at any time on sixty (60) days' written notice to the other party.

Section Eight **Modification**

No modification or waiver of this agreement or of any covenant, condition, or provision herein contained shall be valid unless in writing and duly executed by the party to be charged therewith.

Section Nine **Indemnification**

The City shall indemnify, defend, and hold Attorney harmless against all claims, actions, and liability Attorney may hereafter incur with third parties while acting in the capacity of City Prosecutor and while acting within the scope of his representation of City. Attorney shall at all times maintain errors and omissions insurance sufficient to protect the City against third party claims resulting from Attorney representation of the City under this contract. Continued membership in the Washington Counties Risk Pool, the Washington Counties Risk Group, or another risk pool will satisfy this requirement.

Skamania County shall indemnify and hold the City harmless from all claims arising out of sole/exclusive negligent acts, omissions, or misconduct of the County or its employees while performing services under this Agreement.

Section Ten **Posting/Notice**

Pursuant to RCW 39.34.040, this Agreement shall be filed with the Skamania County Auditor or posted on the City of Stevenson website.

Notice required under this agreement shall be deemed sufficient if made in writing and sent by certified mail to either party at the following addresses, or such other address as may hereafter be specified by either party in writing:

City of Stevenson
c/o Wesley Wootten
 City Hall
 P.O. Box 371
 Stevenson, WA 98648

SKAMANIA COUNTY
c/o Prosecuting Attorney, Adam Kick

 P.O. Box 790
 Stevenson, WA 98648

Section Eleven **Interlocal Agreement**

This is an interlocal agreement pursuant to RCW Ch 39.34 and the parties make the following representations:

- a. Duration. The duration shall be as set forth in Section 2 above, or as otherwise agreed to by the parties pursuant to this Agreement.
- b. Organization. No new entity will be created to administer this agreement.
- c. Purpose. The purpose is to enable the City to utilize County prosecution services.
- d. Manner of Financing. The parties intend to finance this agreement in cash as part of their general funds' budgets.
- e. Termination of Agreement. The parties shall have the right to terminate this agreement as provided in Section Seven, above.
- f. No property will be acquired under this Agreement. If any property is later acquired, the parties will dispose of it in equal shares unless otherwise agreed in writing.
- g. Other. All terms are covered by this Agreement. No additional terms are contemplated.
- h. Selection of Administrator. The Stevenson City Administrator shall be the Administrator for this Interlocal Agreement.

Section Twelve **Conflicts of Interest**

The County shall notify the City of any conflict of interest affecting its ability to prosecute a case.

Section Thirteen **Public Records Act**

The County acknowledges all prosecution records generated under this Agreement are City records for purposes of the Public Records Act (RCW 42.56). The County agrees to timely assist the City in responding to any Public Records request associated with records made the subject of this Agreement. The County agrees to maintain such records according to the State Archivist schedule.

Section Fourteen
Complete Agreement

This written agreement embodies the whole agreement between the parties and there are no inducements, promises, terms, conditions or obligations made or entered into by either the City or the Attorney other than contained herein.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and the year first written above.

CITY OF STEVENSON, a Washington
Municipal Corporation

SKAMANIA COUNTY, a Legal Subdivision of
the State of Washington

Board of Commissioners

By: _____
Scott Anderson, Mayor

By: _____
Chairman

By: _____
Commissioner

By: _____
Commissioner

ATTEST:

By: _____
Wesley Wootten, City Clerk

By: _____
Clerk of the Board

APPROVED AS TO FORM:

Robert C. Muth
City Attorney

Adam Kick, Prosecuting Attorney

M:\11313\0001\Client Documents\Interlocal Agreements\2025-1204 Prosecuting Atty Interlocal.docx

SCHEDULE A – PERFORMANCE METRICS AND REPORTING STANDARDS

1. Purpose of Schedule A

This Schedule establishes minimum performance standards, deliverables, timelines, and reporting requirements for the prosecutorial services provided by the Skamania County Prosecuting Attorney ('County') to the City of Stevenson ('City').

2. Core Service Requirements

Mandatory court coverage includes Municipal/District Court calendars, Superior Court jury trials, and emergency after-hours prosecution support. Full compliance with the rules and regulations of the Criminal Rules of Courts of Limited Jurisdiction.

3. Trial Performance Metrics

Preparation requirements for jury and bench trials, including witness coordination, exhibit preparation, and trial outcome reporting.

4. Administrative Duties & Prosecution Support

Coordination with the City Attorney, subpoena preparation, and Intent-to-File Theft letters.

5. Public Records Act & Records Retention Compliance

PRA compliance, confidential records handling, and adherence to State retention schedules.

6. Reporting Requirements to the City

Upon request from the City Administrator, provide quarterly performance reports and an annual review meeting with City officials.

7. Supplemental & Substitute Prosecutor Coverage

Requirements for qualified substitute prosecutors and continuity of service obligations.

8. Compliance with Laws and Ethical Duties

Compliance with CrRLJ, Brady/Giglio, RPC, PRA, and other Washington laws.

INTERLOCAL AGREEMENT
Between the City of Stevenson and Skamania County
For Provision of Probation Services

This Interlocal Agreement (“Agreement”) is entered into between Skamania County (“County”) and the City of Stevenson (“City”), pursuant to RCW 39.34.

1. Purpose

The purpose of this Agreement is to provide misdemeanor and gross misdemeanor probation services to defendants under the jurisdiction of the Stevenson Municipal Court, ensuring efficient and cost-effective delivery of supervision consistent with Washington law. The Skamania County Adult Probation Officer shall be the Administrator for this Agreement.

2. Term and Renewal

This Agreement becomes effective January 1, 2026, and continues through December 31, 2026. It automatically renews annually unless terminated. Beginning in 2027, the flat fee increases by 3% annually.

3. Administration

The Skamania County Adult Probation Officer shall administer this Agreement, oversee performance, coordinate with the Stevenson Municipal Court, prepare required reports, and ensure compliance with applicable regulations.

4. Scope of Services

County shall provide:

- Intake and assessment
- Pre-trial monitoring as ordered by the Municipal Court
- Probation supervision for all court ordered Stevenson defendants
- Violation reporting
- Drug and Alcohol screening and breath testing
- Community service tracking for supervised cases
- Case file management and closure

All services shall follow Washington probation standards and Stevenson Municipal Court orders.

5. Authority of the Court

All supervision is performed under authority of the Stevenson Municipal Court pursuant to RCW 3.50.090. County shall follow all indigency findings, community service conversions, and LFO determinations.

6. Financing, Fees, and Billing

City shall pay County a flat fee of \$1,900 per month in 2026. City shall also remit all probation-related payments collected from defendants monthly. County shall invoice monthly, providing:

- Active case count report

- Invoice for remittances owed (from Court ledger detail report)

The City Administrator may audit County financial records related to this Agreement.

7. Indigent Defendant Obligations

County shall supervise indigent defendants in accordance with *State v. Blazina* and Municipal Court directives.

8. Property

Any property acquired for probation services shall remain County property. Upon termination, County retains ownership unless otherwise agreed.

9. Termination

Either party may terminate with 90 days' written notice. Upon termination:

- City shall remit any outstanding LFO's collected for probation services.
- County shall provide final case status reports.
- Files shall be transferred to City or Municipal Court.

10. Public Records & Data Management

All records produced are subject to RCW 42.56 and court-record retention schedules. County shall assist City in responding to records requests.

11. Insurance

Each party shall maintain liability coverage through insurance or self-insurance and provide certificates on request.

12. Indemnification

Each party is responsible for the acts of its officers and employees. To the extent permitted by law, each party shall indemnify the other for claims arising from its own negligent acts or omissions.

13. Compliance with Laws

Each party shall comply with RCW 39.34 and all applicable federal, state, and local laws.

14. Entire Agreement; Amendments

This Agreement constitutes the complete agreement. Amendments require written approval by both parties.

15. Severability

If any provision is invalid, the remainder remains enforceable.

16. Filing

This Agreement shall be filed or posted as required by RCW 39.34.040.

In Witness Whereof, the parties hereto have hereunto set their hands and seals the day and year first above written.

CITY OF STEVENSON

BOARD OF COUNTY COMMISSIONERS

Authorized Representative

Chairman

Title

Commissioner

Commissioner

Attest:

Clerk of the Board

City Clerk

Approved As To Form Only

Adam Kick
Skamania County Prosecutor

Robert C. Muth
City Attorney

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Schedule A – Performance Metrics and Reporting Standards

This Schedule A is incorporated into and made part of the Interlocal Agreement for Probation Services between the City of Stevenson and Skamania County.

1. Reporting Requirements

County shall provide the Stevenson Municipal Court with the following reports:

a. Monthly Supervision Report (including):

- Number of active Stevenson probation cases
- New intakes for the month
- Case closures

b. Annual Performance Reports generated by caseload management program:

- Monthly statistical summary of caseload activity summaries (all county and city cases) for the year (not aggregated)
- Annual active case count report

2. Performance Standards

County shall meet the following minimum performance standards:

a. Timeliness:

- Comply with Municipal Court orders regarding timelines

b. Responsiveness:

- Provide compliance updates upon judicial request

c. Monitoring Standards:

- Conduct Drug and Alcohol testing in accordance with court orders
- Maintain proper chain-of-custody protocols for testing

3. File Management

County shall:

- Maintain complete electronic or physical case files
- Ensure files meet Washington record-keeping standards
- Provide data and information from files to the Court upon request

4. Communications Protocol

County shall:

- Notify the Municipal Court promptly of new law violations
- Coordinate with prosecution and defense counsel as required
- Maintain confidential handling of all probation information consistent with law

5. Quality Assurance and Audits

The City Administrator may:

- Conduct audits of probation billing records
- Request corrective action plans for deficiencies
- Require annual review meetings between the City and County

6. Staffing Requirements

- Probation officers must meet Washington State training standards
- County shall ensure backup coverage during staff vacancies or leave

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF STEVENSON AND
SKAMANIA COUNTY FOR THE PROVISION OF MUNICIPAL COURT SERVICES BY
THE DISTRICT COURT OF SKAMANIA COUNTY**

THIS AGREEMENT made by and between SKAMANIA COUNTY, duly organized and operating under and by virtue of the Constitution and the laws of the State of Washington, hereinafter referenced to as the "COUNTY" and the CITY OF STEVENSON, a municipal corporation of the State of Washington, hereinafter referred to as the "CITY", for the provision of court services to the City's Municipal Department of the Skamania County District Court.

RECITALS:

WHEREAS, the CITY has previously petitioned the COUNTY to function as the City's municipal court as permitted in RCW 39.34.180 since each jurisdiction is legally entitled to operate a court system; and

WHEREAS, the CITY desires to utilize the services of the COUNTY'S District court judges for the filing and processing of CITY'S civil code enforcement infractions, civil traffic infractions, parking infractions, misdemeanor, and gross misdemeanor criminal citations (collectively referred to hereafter as "Case Filings"); and

WHEREAS, the parties desire to enter into an agreement defining their rights, duties and liabilities relating to the utilization of the COUNTY's District Court judges to hear cases on violations of the CITY civil ordinances and no other matters except as conferred by statute; and

WHEREAS, the purpose of this Agreement is to provide the CITY with Municipal Court services for the adjudication of violations of CITY ordinances and establish a basis for identifying costs, revenues, fines, fees, and responsibilities of both parties hereto; and

WHEREAS, the Municipal Court services to be provided by the COUNTY are expressly restricted to the provision of a District Court judge and court administrative services.

WHEREAS, CITY has determined that an Agreement with COUNTY for the provision of certain municipal court services under the Interlocal Cooperation Act would be more efficient and cost effective than providing its own facilities, materials and personnel; and

WHEREAS, COUNTY is willing to provide municipal court services to CITY under the terms and conditions set forth in this Agreement; and

WHEREAS, the parties enter this Agreement in consideration of the mutual covenants and promises set forth in this Agreement, the mutual benefits to be derived by each, and in the exercise of authority granted by the Interlocal Cooperation Act.

NOW, THEREFORE,

For and in consideration on the mutual covenants, agreements, and stipulations contained herein, the CITY and the COUNTY hereby agree as follows:

1. PURPOSE.

The purpose of this Agreement is to provide for the provision of certain municipal court services by COUNTY to CITY through the use of facilities, materials, and personnel of the COUNTY Municipal Court to the maximum extent permitted by law for the filing and processing of CITY's civil code enforcement infractions, civil traffic infractions, parking infractions, misdemeanor and gross misdemeanor criminal citations (collectively referred to hereafter as "Case Filings"). Case Filings does not include civil infractions detected using a photo enforcement system. In addition, this Agreement will establish the fees to be paid by CITY and specify the responsibilities of COUNTY and CITY respectively for such municipal court services.

2. ADMINISTRATION.

The COUNTY Court Administrator shall be responsible for the administration of this Agreement. No joint acquisition, holding, or disposal of real or personal property is contemplated hereunder.

3. FILING AND ASSUMPTION OF CITY MUNICIPAL COURT CASES.

On June 1, 2016, all CITY Municipal Court cases were transferred to Skamania County District Court.

4. SERVICES.

The COUNTY agrees to provide a courtroom, a District Court judge and necessary support staff to adjudicate Case Filings. The CITY is responsible for providing a prosecutor, a public defender, and reimbursing costs of interpreters and security or any other professionals whose services are required by statute or necessary for the efficient operation of the Court.

The COUNTY will provide, within the COUNTY's jurisdictional limits, at a suitable location and facilities as noted herein, judicial services for the Municipal Court of the CITY, on a monthly frequency determined in the Skamania County District Court Districting Plan, at a time and on day(s) convenient to the District Court judge.

5. FACILITIES AND PERSONNEL.

Pursuant to RCW 3.46.130-140, the CITY is responsible to provide personnel necessary for a properly functioning Municipal Court, including without limitation, a prosecutor, a public defender, and reimbursement for the costs of interpreters, probation services, jury management, security, fees or any other professionals whose services are required.

The parties have agreed herein that the COUNTY will provide personnel including a judge and court clerks. Security is included in services provided by the county, but if security is required during an independent session of the Municipal Court, including, but not limited to trials, the COUNTY may provide security at CITY's reasonable expense, or pursuant to CITY's interlocal agreement for law enforcement if specified therein.

6. PAYMENT.

Beginning January 1, 2026, the CITY covenants and agrees to make payment to the COUNTY for the provision of Municipal Court services provided under the terms of this Agreement as follows:

- a. The CITY shall pay the COUNTY Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) per month for included services.
- b. Commencing on January 1, 2027, the cost of services shall increase by three percent (3%) over the service cost paid during the previous year and on an annual basis thereafter.
- c. CITY shall pay the COUNTY for interpreters, probation services, a pro-rata share of jury management, security, fees, or other professionals required per this agreement as billed. The CITY may contract directly with County Probation for probation services via separate agreement.
- d. The CITY shall remit payment within thirty (30) days after receipt of the billing from the COUNTY. Said payment shall be directed to Skamania County District Court, to the attention of the Court Administrator.
- e. Payments to the CITY prosecutor, probation and court-appointed attorney shall be made by the CITY directly to those entities, including where CITY is remitting probation fees paid by the defendants in Stevenson Municipal Court cases.
- f. CITY shall appoint the District Judge as its municipal judge. The payment specified herein shall include the District Judge's pro rata salary as contemplated by RCW 3.50.040.

7. GENERAL PROVISIONS.

- a. This Agreement shall not be construed as or deemed to be a contract for the benefit of any third party or parties, and no third party or parties shall have any right to action hereunder for any cause whatsoever.
- b. No agent, employee, servant or representative of the CITY shall be deemed to be an employee of COUNTY for any purpose and no employee of COUNTY or of the District Court shall be deemed an employee of the CITY.
- c. Each party to this Agreement shall act in good faith and shall aid and assist the other in accomplishing the objective of this Agreement.

- d. This Agreement, upon execution by all parties, supersedes all prior contracts and agreements (oral or written) for the District Court's assumption of Municipal Court services between the CITY and the COUNTY. This contract does not affect existing contracts relating to prosecution, law enforcement, probation, and jail costs.
- e. The District Court Judge shall be the administrator of this agreement.
- f. The City of Stevenson shall use funds from its general fund and such other funds available from state allocations to finance this agreement.

8. COURT RECORDS, CASE FILES, AND PUBLIC RECORDS ACT COMPLINACE

Ownership. All Municipal Court case files, recordings, pleadings, dockets, exhibits, and electronic records for violations of CITY ordinances are the court records of the Municipal Court of the City of Stevenson, regardless of physical location.

Custodian of Records. The Skamania County District Court shall maintain the official records of the Municipal Court on the City's behalf. The District Court Administrator shall serve as custodian for operational purposes but acts as agent for the CITY with respect to such records.

Public Records Act Requests. Any public requests for records shall be treated under the appropriate Court Rules. Access to Court records is governed by GR 31 and GR 31.1.

Retention and Destruction. Records shall be retained and destroyed in accordance with the Court Rules.

Litigation Holds. Upon receiving notice of litigation, complaint, or PRA dispute involving Municipal Court cases, District Court will preserve responsive records and coordinate preservation with the CITY.

9. FINANCIAL TRANSPARENCY, AUDIT RIGHTS, AND BILLING REQUIREMENTS

Billing Requirements. Payment shall be made monthly as a part of the City's vouchers.

Audit Rights. The CITY may audit the COUNTY's financial records relating to services under this Agreement upon ten (10) business days' notice. Audits may include review of court records, interpreter invoices, and any other documentation relevant to billed services.

Rate Increases. No rate or cost increase beyond the 3% annual increase may be implemented unless negotiated and agreed upon in writing at least 90 days prior to the beginning of the calendar year in which the increase takes effect.

Disputed Charges. If the CITY disputes any charge in writing; both parties will negotiate in good faith. Uncontested portions of an invoice will be paid while the dispute is pending.

10. INSURANCE REQUIREMENTS.

The COUNTY shall maintain the insurance provided through the current risk pool. The COUNTY will give notice to CITY if the COUNTY joins a different pool (such as WCRP) or otherwise provides for liability insurance through a private entity.

Failure to maintain required insurance constitutes material breach.

11. DISPUTE RESOLUTION.

Any dispute concerning performance, interpretation, or payment under this Agreement shall be resolved as follows:

Step 1 – Negotiation. The City Administrator and District Court Judge shall meet to resolve the issue.

Step 2 – Mediation. If unresolved within 30 days, either party may request mediation through a mutually agreed mediator.

Step 3 – Arbitration. If mediation fails, disputes shall be submitted to binding arbitration under chapter 7.04A RCW.

Venue. Arbitration hearings shall occur in Skamania County unless otherwise agreed.

12. CONTINUITY OF SERVICES AND TRANSITION REQUIREMENTS UPON TERMINATION.

Regardless of termination:

The COUNTY shall continue to adjudicate all open Municipal Department cases until each case is finally adjudicated unless the CITY requests an earlier transfer.

All original case files, recordings, and evidence shall be returned to the CITY or transferred to a successor court at CITY direction.

A final accounting shall be completed within 60 days, including reconciliation of trust accounts, fines, fees, and assessments.

13. COMPLIANCE WITH LAWS AND JUDICIAL INDEPENDENCE

COUNTY shall provide judicial and support services in compliance with:

RCW 3.50;

RCW 3.46;

RCW 39.34;

Washington Court Rules;

Orders of the Washington Supreme Court and AOC guidance;

Interpreter requirements under RCW 2.43.

The Municipal Court judge shall exercise judicial authority independently, free from direction by either party except as permitted by law.

The CITY and COUNTY shall comply with all federal, state, and ADA requirements relating to court access, interpreters, facilities, and accommodations.

14. TECHNOLOGY, DATA ACCESS, AND SYSTEM SECURITY.

The sheriff, prosecutor, and court liaison staff shall have access to case records, dockets, Odyssey information, hearing dates, warrants, and financial information related to CITY cases.

COUNTY shall maintain access to electronic systems in compliance with CJIS standards and State Court IT policies.

Electronic recordings of CITY cases shall be preserved consistent with court rules and made available to the City Administrator ONLY upon request without additional administrative fees.

15. MODIFICATION.

No change or additions to this Agreement shall be valid or binding upon either party unless such change or addition is in writing, signed by both parties.

16. TERM.

This Agreement shall become effective commencing the 1st day of January, 2026, and shall continue in effect through the 31st day of December, 2026. This agreement will continue in force for subsequent years on the terms specified herein unless other terms are negotiated within 90 days prior to the end of the calendar year.

17. NOTICE.

Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to the COUNTY at:

Skamania County District Court
Court Administrator
PO Box 790
Stevenson, WA 98648
Or to the City, at:

City of Stevenson
7121 E. Loop Road
Stevenson, WA 98648
Attention: City Administrator

Or at such other address as either party may designate to the other in writing from time to time.

All notices to be given with respect to this Agreement shall be in writing. Every notice shall be deemed to have been given at the time it shall be deposited in the United States mail in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal process.

18. NON-EXCLUSIVE AGREEMENT/NO WAIVER OF MUNICIPAL AUTHORITY

The CITY retains all legislative and police powers granted under Title 35A RCW. Nothing in this Agreement shall be construed as a surrender of municipal authority or a limitation on the CITY's ability to enact or amend ordinances enforced by the Municipal Department.

19. TERMINATION.

- a. CITY: The CITY may terminate this Agreement by providing the Court Administrator with written notice of its intent to disband its Municipal Department, no less than one (1) year prior to February 1st of the year in which all Skamania County District Court judges are subject to election. PROVIDED: the CITY may only terminate its Municipal Department at the end of a four (4) year judicial term.

The CITY may not give the COUNTY the written notice required under this section of the Agreement unless the CITY has a valid agreement with the COUNTY under chapter 39.34 RCW, under which the COUNTY is to be paid a reasonable amount for costs associated with prosecuting, adjudication and sentencing in criminal cases filed in District Court as a result of the termination.

- ## 20. APPLICABLE LAW.

21. INVALIDITY.

Board of Commissioners

32

ATTEST:

By: _____
Wesley Wootten, City Clerk

By: _____
,
Clerk of the Board

APPROVED AS TO FORM:

Robert C. Muth, City Attorney

Adam Kick, Prosecuting Attorney

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SCHEDULE A - PERFORMANCE METRICS & REPORTING STANDARDS

1. PURPOSE

This Schedule establishes required service levels, performance metrics, reporting obligations, and operational standards for the provision of Municipal Court services by Skamania County District Court on behalf of the City of Stevenson.

2. CASE PROCESSING STANDARDS

- All cases shall be processed in accordance with the Court Rules.

3. HEARING & TRIAL TIMELINES – All deadlines are estimated and maybe extended

- Arraignments set within 14 days of filing.
- Pretrials held within 45 days of arraignment.
- Criminal trials set within CrRLJ 3.3 time-for-trial.
- Infractions scheduled within 90 days of issuance.

4. JUDICIAL SERVICES

- Judge or commissioner provided for all Municipal Department calendars.
- Pro tem judge provided when primary judge unavailable.
- Quarterly judicial workload report to City, if the information is available.

5. CLERK & ADMINISTRATIVE SERVICES – All deadlines are estimated/may be extended

- Staff to maintain files, docketing, recordings, financials.
- Phone calls returned within 1 business day to the extent practicable.
- Emails answered within 2 business days to the extent practicable.

6. INTERPRETER & ADA SERVICES

- Interpreters provided per RCW 2.43.
- ADA accommodations provided as required by law.

7. FINANCIAL REPORTING

- Quarterly reports: filings, dispositions, revenue, trust accounts, if available.
- Annual statistical and financial report by February 15 of each year..

8. PERFORMANCE FAILURE & REMEDIES

- 30-day cure period after written notice.
- Corrective plan required if not cured.
- Annual review for compliance.

9. COMPLIANCE WITH LAWS

- Services provided per RCW 3.46, 3.50, 39.34, court rules, AOC guidance, RCW 2.43, and ADA.

**INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES
FOR THE CITY OF STEVENSON**

THIS CONTRACT, made and entered into this _____ day of December 2025, by and between the **COUNTY OF SKAMANIA**, a legal subdivision of the State of Washington, hereinafter referred to as "County," and the **CITY OF STEVENSON**, a municipal corporation of the State of Washington, hereinafter referred to as "City,"

WITNESSETH:

WHEREAS, under RCW 35A.12.020 the City desires to appoint and contract with the County and its Sheriff, for the Sheriff to provide certain law enforcement services within the City's corporate limits; and

WHEREAS, the County, by and through its Sheriff, wishes to perform law enforcement services for the City as set forth below; and

WHEREAS, such interlocal contracts are authorized by the provisions of RCW 39.34.010 et seq.;

NOW, THEREFORE, it is agreed as follows:

1.0 Agreement to Provide Services

The County, by and through its Sheriff, agrees to provide certain agreed upon law enforcement services for the City, within the City's corporate limits. "Law enforcement services" shall mean response to emergency calls for service, investigation/enforcement of violations of state statutes, random patrols, regulation of traffic control within City limits, and shall include the quality of service customarily rendered by the Skamania County Sheriff's Office outside the City limits. This Contract shall not create a separate governmental entity under RCW 39.34.030.

2.0 Payment

.1 Basic Fee. As consideration for these services, the City shall pay the County the amounts listed below for each calendar year:

.1.1 \$321,457.60 for calendar year 2026, paid in 12 monthly equal installments of \$26,788.14.

.1.2 The amount is based on an amount equal to the 2025 scheduled amount increased by the West B/C CPI-U 12-month change of 3.2% as reported by the US Bureau of Labor Statistics, plus an additional \$10,000. (ex. \$301,800 x 3.2% + \$10,000)

Checks shall be made payable to the Skamania County Treasurer and be issued at the regularly scheduled Council meeting for the month in which the service is provided.

- .2 Criminal Justice Money. By state statute the City receives Criminal Justice transfers from the State's General Fund allocated for innovative law enforcement programs, domestic violence prevention programs, child abuse prevention programs and for cities that contract for law enforcement services. Therefore, as further consideration of the services provided by the Sheriff, the City agrees to pay to the County all funding it receives through the Criminal Justice Programs (understanding these moneys are distributed at the discretion of the State of Washington). The City further agrees to take reasonable and good faith steps to obtain and secure funding for the various Criminal Justice program areas.

3.0 Term

The duration of this Agreement shall be for one (1) year beginning on January 1, 2026, and ending on December 31, 2026. This Agreement may be terminated at any time, or by either party for any reason upon ninety (90) days' written notice. Both parties agree in October of 2026 the Agreement will be open for discussion in order to address potential changes affected through collective bargaining that may impact the agreed upon fee.

4.0 Customary Services

- .1 Scope of Services. Unless otherwise specified, services provided by the County shall include investigation and enforcement of statutes of the State of Washington, and random patrols of the City.
- .2 Control. The Sheriff shall have exclusive control over the Sheriff's enforcement operations in performing the obligations under this Contract, but the parties do agree to consult with one another, from time to time, to discuss law enforcement services.
- .3 Continuous Service. Law enforcement services will be available to the City on a twenty-four (24) hour per day, seven (7) days per week basis, provided that allocations of manpower and equipment for this purpose will be at the reasonable discretion of the Sheriff.
- .4 Priorities. The City will work with the County to set service level priorities, goals and metrics. These will be reviewed bi-annually in June and December of each year and adjusted as necessary with an amendment to this Agreement.

5.0 Indemnification

- .1 County Indemnification. The County acknowledges that, pursuant to the terms of this Agreement, the County is solely responsible for the acts and omissions of its officers, officials and employees, and is responsible as an independent contractor for the safety of all persons and property in performing pursuant to this Agreement. The County assumes the risk of all damages, loss, costs, penalties and expense and agrees to indemnify, defend and hold harmless the City, its officers, officials and employees,

from and against any and all liability which may accrue to or be sustained by the City, or its officers, officials and employees, on account of any claim, suit or legal action made or brought against the City for the death or injury to persons (including County's employees) or damage to property involving the County, arising out of any act or omission of the County or any County employee in the performance of services performed under this Agreement. This indemnification extends to the officials, officers and employees of the City and also includes attorney's fees and the cost of establishing the right to indemnification herein in favor of the City. This indemnification does not extend to injuries or damages caused by the sole negligence of the City, its employees or agents.

- .2 City Indemnification. The City acknowledges pursuant to the terms of this Agreement, the City is totally responsible for the acts or omissions of its own officials, officers and employees. The City assumes the risk of all damages, loss, costs and penalties, and agrees to indemnify, defend and hold harmless the County, its officers, officials and employees from and against any and all liability which may accrue to or be sustained by the County on account of any claim, suit or legal action made or brought against the County or its officers, officials and employees, for the death or injury to persons (including City's employees) or damage to property involving the City, arising out of any act or omission of the City or any City employee in the performance of law enforcement services. This indemnification extends to the officials, officers and employees of the County and also includes attorney's fees and the cost of establishing the right to indemnification hereunder in favor of the County. This indemnification does not extend to injuries or damages caused by the sole negligence of the County, its employees, or agents.
- .3 Concurrent Negligence. For claims arising from concurrent negligence, each party shall be responsible only for its own proportionate share of fault, consistent with RCW 4.24.115.

6.0 Authority.

The parties agree for all intents and purposes, the Skamania County Sheriff is also the Chief of Police for the City, and with respect to law enforcement, is bound to the interlocal agreements signed by the City. While performing services under this Agreement, the Sheriff's Office personnel shall have all authority granted to a police department of a non-charter code city under the laws of the State of Washington.

7.0 Materials.

All materials needed to perform this Contract and the expense of performing it, shall be provided or paid by the County. Such materials include, but are not limited to, vehicles, weapons, ammunition, communication facilities and such other supplies needed by a law enforcement agency to carry out its normal functions.

8.0 City to Cooperate.

The City agrees to cooperate fully with the County in the performance of this Agreement and to furnish the County with any information available to the City that the County may require in the course of the performance of this Agreement.

9.0 Prosecution.

All citations or complaints for violations of municipal ordinances, including state statutes involving infractions, misdemeanors and gross misdemeanors shall be filed in the Stevenson Municipal Court and shall be prosecuted by the City in accordance with the City's interlocal agreements with the County Prosecutor and the District Court for Skamania County.

10.0 Insurance.

The County shall provide and maintain police professional liability insurance coverage with limits adequate to cover all foreseeable errors and omissions and shall provide a copy of said policy to the City for its review and approval.

11.0 Reports.

The County will provide the City with activity reports on a monthly basis. Such reports shall include the number and types of reported complaints, the type and quantity of arrests made within the City, and any other information relevant to reporting criminal activity within the City.

12.0 Equal Opportunity Employer.

The County covenants it is an equal opportunity employer.

13.0 Severability.

In the event of invalidity or irresolvable ambiguity of any provision of this Agreement, the remaining provisions shall nevertheless continue to be valid and enforceable. Any such ambiguity shall not be construed solely against the drafter of this Agreement. The parties acknowledge they have mutually drafted this Agreement.

14.0 Modifications.

No changes or modifications to this Agreement shall be valid or binding upon either party unless such changes or modifications be in writing and executed by both parties.

15.0 Dispute Resolution/Attorney Fees.

In the event of a dispute, the parties shall first attempt resolution through negotiation between the City Administrator and the Sheriff before either party may commence litigation. If any suit or action is filed by any party to enforce or interpret a provision of this Agreement, or otherwise with respect to the subject matter of this Agreement, the prevailing party shall be entitled, in addition to other rights and remedies it might have, to reimbursement for its expenses incurred with respect to such suit or action, including court costs and reasonable attorney's fees.

16.0 Extraordinary Services.

The parties recognize this Agreement is designed to allow the City to use the Skamania County Sheriff's Office and its deputies to provide law enforcement services within the City limits. The parties further recognize law enforcement must respond to a myriad of emergency and non-emergency situations. However, the parties realize there are certain activities or events that will require exceptional and extraordinary preparation planning and staffing by the Sheriff's Office to adequately respond to the potential threats to safeguard the City's citizens and property. In recognition of these situations, the parties agree to negotiate in good faith additional payments from the City to the County that will fairly reimburse the County for providing these "extraordinary services". For purposes of this section, "Extraordinary services" shall mean those law enforcement services necessary to plan, prepare and staff law enforcement services to respond to or prepare for events that occur within the City limits. The terms "Extraordinary services" do not mean natural disasters, individual criminal episodes or other similar emergency responses.

17.0 Entire Agreement.

This Agreement is the entire agreement between the parties and supersedes all previous agreements or understandings between them. This Agreement may be modified only in writing, provided both parties have signed the amended document.

18.0 Choice of Venue.

This Agreement shall be governed by and construed under the laws of the State of Washington, and any action brought to enforce the terms of this contract shall be brought in a court of competent jurisdiction located in Skamania County.

19.0 Interlocal Agreement Representations

This is an interlocal agreement pursuant to RCW Ch 39.34 and the parties make the following representations:

- a. Duration. This Agreement shall terminate on December 31, 2026, or sooner as provided in paragraph 3.0, above.

- b. Organization. No new entity will be created to administer this Agreement.
- c. Purpose. The purpose is to enable the City of Stevenson to contract with Skamania County for law enforcement services.
- d. Manner of Financing. The parties intend to finance this Agreement in cash as part of their general fund's budget.
- e. Termination of Agreement. The parties shall have the right to terminate this Agreement as provided in paragraph 3.0, above.
- f. Other. All terms are covered by this Agreement. No additional terms are contemplated.
- g. Selection of Administrator. The City of Stevenson City Administrator shall be the Administrator for this Agreement.
- h. Filing. Prior to its entry into force, this Agreement shall be filed with the Skamania County Auditor or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source.

[Signatures on Next Page]

IN WITNESS WHEREOF, the **COUNTY** has caused this Contract to be duly executed on its behalf, and thereafter the **CITY** has caused the same to be duly executed on its behalf.

CITY OF STEVENSON,
A Municipal Corporation,

COUNTY OF SKAMANIA,
Board of Commissioners

By: _____
Mayor

Attest:

By: _____
City Clerk

Approved as to form only:

Adam Kick, Skamania County
Prosecuting Attorney

Robert C. Muth
City Attorney

By: _____
Chairman

Commissioner

Commissioner

Attest:

Clerk of the Board

Approved:

Summer Scheyer, Sheriff
Skamania County, WA

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Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

City of Stevenson

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

Published December 11, 2025

Report No. 1038590



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

December 11, 2025

Mayor and City Council
City of Stevenson
Stevenson, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

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

TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
Schedule of Federal Award Findings and Questioned Costs.....	6
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance	13
Independent Auditor's Report on the Financial Statements.....	17
Financial Section.....	21
Corrective Action Plan for Findings Reported Under Uniform Guidance	40
About the State Auditor's Office.....	41

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Stevenson January 1, 2024 through December 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
11.307	Economic Development Cluster - Economic Adjustment Assistance

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See Finding 2024-001.

SCHEDULE OF FEDERAL AWARD FINDINGS AND
QUESTIONED COSTS

City of Stevenson
January 1, 2024 through December 31, 2024

2024-001 **The City did not have adequate internal controls and did not
comply with federal wage rate requirements.**

Assistance Listing Number and Title:	11.307 - Economic Adjustment Assistance
Federal Grantor Name:	U.S. Department of Commerce Economic Development Administration
Federal Award/Contract Number:	N/A
Pass-through Entity Name:	N/A
Pass-through Award/Contract Number:	N/A
Known Questioned Cost Amount:	\$0
Prior Year Audit Finding:	N/A

Background

The Economic Adjustment Assistance (EAA) program helps state and local governments respond to a variety of economic challenges. During fiscal year 2024, the City spent \$2,009,721 in program funds.

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

Under federal wage rate requirements, also known as the Davis-Bacon Act, contractors and subcontractors that work on projects financed with more than \$2,000 of federal funds must pay laborers and mechanics wage rates that the U.S. Department of Labor considers similar to what local workers have been paid for similar projects.

For construction contracts subject to these wage rate requirements, the City must include a provision that the contractors and subcontractors must comply with those requirements and the Department of Labor's regulations. This includes a requirement that the contractors and its subcontractors must submit certified payrolls reports to the City weekly, for each week that laborers performed contract work. These reports must include a copy of the payroll and a signed statement of compliance.

The City may use a contracted project manager to collect certified payroll reports from contractors and subcontractors, but ultimately, it is the City's responsibility to comply with these requirements and maintain documentation demonstrating compliance.

Description of Condition

During fiscal year 2024, the City spent \$2,009,721 for payments to one contractor to make improvements to the City's wastewater collection system.

Our audit found the City did not have adequate internal controls for ensuring compliance with federal wage rate requirements. Specifically, the City did not collect, or ensure the project manager collected, weekly certified payroll reports from the contractor and their subcontractors to confirm they paid laborers proper prevailing wages.

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

Cause of Condition

The City experienced turnover in the position responsible for managing this program and City staff were unaware of federal wage rate requirements and the requirement to obtain and review certified payroll reports each week before payment.

Effect of Condition

Without adequate internal controls to ensure it collects all weekly certified payroll reports, the City cannot demonstrate it complied with federal wage rate requirements. The City could also be liable for paying any additional wages if the contractor and subcontractors did not pay prevailing wage rates to laborers working on the contract.

The City did not collect 147 out of a total of 174 weekly certified payroll reports within the audit period.

Recommendation

We recommend the City strengthen internal controls to ensure compliance with federal wage rate requirements. This should include obtaining the federal certified payroll reports, as well as implementing effective monitoring processes to collect and review all weekly certified payroll reports from contractors and subcontractors. Additionally, we recommend the City provide additional training to ensure staff overseeing compliance with federal programs are aware of all applicable requirements.

City's Response

The City will strengthen oversight of federally funded projects by enhancing internal review and documentation processes.

- 1. A project compliance tracking form will be created and used for each project to document required wage rate verifications, funding sources, reporting deadlines, and accounting setup. This form will be reviewed and updated annually to ensure compliance with current federal requirements.*
- 2. The City will also create a reimbursement tracking system to monitor project reimbursements and ensure consistency with the SEFA.*
- 3. Staff responsible for project and grant administration will attend training opportunities related to federal compliance and wage rate requirements to ensure continued understanding and adherence.*

Auditor's Remarks

We appreciate the City's response and commitment to resolving this finding. We thank it for its cooperation and assistance during the audit. We will review the corrective action taken during our next regular audit.

Applicable Laws and Regulations

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

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

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

Title 29 CFR, Section 3.3 – Weekly statement with respect to payment of wages, and Section 3.4 – Submission of weekly statements and the preservation and inspection of weekly payroll records, establishes requirements for contractor or subcontractor submission of weekly certified payroll reports.

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 Stevenson January 1, 2024 through December 31, 2024

Mayor and City Council
City of Stevenson
Stevenson, 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 Stevenson, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated November 21, 2025.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

November 21, 2025

INDEPENDENT AUDITOR'S REPORT

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

City of Stevenson January 1, 2024 through December 31, 2024

Mayor and City Council
City of Stevenson
Stevenson, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the City of Stevenson, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

City's Response to Findings

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2024-001, that we consider to be a material weakness.

City's Response to Findings

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

Purpose of this Report

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



Pat McCarthy, State Auditor

Olympia, WA

November 21, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Stevenson January 1, 2024 through December 31, 2024

Mayor and City Council
City of Stevenson
Stevenson, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

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

Basis for Unmodified and Adverse Opinions

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

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

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

Matter of Emphasis

As discussed in Note 5 to the financial statements, in 2024, the City adopted new accounting guidance for Compensated Absences as required by the BARS manual. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025 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

November 21, 2025

FINANCIAL SECTION

City of Stevenson January 1, 2024 through December 31, 2024

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2024
Schedule of Expenditures of Federal Awards – 2024
Notes to the Schedule of Expenditures of Federal Awards – 2024

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

		Total for All Funds (Memo Only)	001 General Expense Fund	100 Street Fund	103 Tourism Promo & Develop Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	7,180,933	4,127,311	81,568	1,384,100
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	2,352,951	1,089,398	491,291	723,270
320	Licenses and Permits	48,132	43,457	2,893	-
330	Intergovernmental Revenues	3,088,546	126,414	182,162	-
340	Charges for Goods and Services	3,054,808	348,302	-	-
350	Fines and Penalties	11,088	9,238	-	-
360	Miscellaneous Revenues	346,708	129,802	1,701	48,447
Total Revenues:		8,902,233	1,746,611	678,047	771,717
Expenditures					
510	General Government	576,208	576,208	-	-
520	Public Safety	449,595	449,595	-	-
530	Utilities	1,985,955	-	-	-
540	Transportation	959,074	-	768,534	-
550	Natural/Economic Environment	195,040	195,040	-	-
560	Social Services	20,452	20,216	236	-
570	Culture and Recreation	512,856	29,410	-	479,587
Total Expenditures:		4,699,180	1,270,469	768,770	479,587
Excess (Deficiency) Revenues over Expenditures:		4,203,053	476,142	(90,723)	292,130
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	2,317,321	-	-	-
397	Transfers-In	583,557	-	50,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	29,496	5,074	8,872	-
Total Other Increases in Fund Resources:		2,930,374	5,074	58,872	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	6,797,566	60	45,894	33,602
591-593, 599	Debt Service	177,699	-	-	-
597	Transfers-Out	583,557	348,313	-	201,163
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	(1,440)	(1,440)	-	-
Total Other Decreases in Fund Resources:		7,557,382	346,933	45,894	234,765
Increase (Decrease) in Cash and Investments:		(423,955)	134,283	(77,745)	57,365
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,971,344	51,135	-	1,441,465
50841	Committed	10,437	-	-	-
50851	Assigned	3,414,729	2,377,936	3,823	-
50891	Unassigned	1,360,465	1,832,520	-	-
Total Ending Cash and Investments		6,756,975	4,261,591	3,823	1,441,465

The accompanying notes are an integral part of this statement.

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

		105 Affordable Housing Fund	107 HEALing SCARS Fund	300 Capital Improvement Fund	311 First Street
Beginning Cash and Investments					
308	Beginning Cash and Investments	17,456	10,246	265,031	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	4,445	-	44,547	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	585,384
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	350	190	10,910	-
Total Revenues:		4,795	190	55,457	585,384
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		4,795	190	55,457	585,384
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	32,687
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	32,687
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	1,003,376
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	34,081	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	34,081	1,003,376
Increase (Decrease) in Cash and Investments:		4,795	190	21,376	(385,305)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	22,251	-	286,407	-
50841	Committed	-	10,437	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	(385,305)
Total Ending Cash and Investments		22,251	10,437	286,407	(385,305)

The accompanying notes are an integral part of this statement.

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

		312 Columbia Ave	313 Park Plaza Fund	314 Lasher Street Improv. Fund	400 Water/Sewer Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	(19,620)	(82,612)	-	1,313,281
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	1,782
330	Intergovernmental Revenues	19,620	-	-	2,174,966
340	Charges for Goods and Services	-	-	-	2,451,035
350	Fines and Penalties	-	-	-	1,850
360	Miscellaneous Revenues	-	-	-	153,670
Total Revenues:		19,620	-	-	4,783,303
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	1,985,955
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	3,859	-	-
Total Expenditures:		-	3,859	-	1,985,955
Excess (Deficiency) Revenues over Expenditures:		19,620	(3,859)	-	2,797,348
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	1,817,321
397	Transfers-In	-	201,163	1,394	298,313
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	201,163	1,394	2,115,634
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	114,692	39,144	5,008,682
591-593, 599	Debt Service	-	-	-	165,845
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	114,692	39,144	5,174,527
Increase (Decrease) in Cash and Investments:		19,620	82,612	(37,750)	(261,545)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	170,086
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	930,649
50891	Unassigned	-	-	(37,750)	(49,000)
Total Ending Cash and Investments		-	-	(37,750)	1,051,735

The accompanying notes are an integral part of this statement.

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

		500 Equipment Service Fund
Beginning Cash and Investments		
308	Beginning Cash and Investments	84,172
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	255,471
350	Fines and Penalties	-
360	Miscellaneous Revenues	1,638
Total Revenues:		257,109
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	190,540
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		190,540
Excess (Deficiency) Revenues over Expenditures:		66,569
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	500,000
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	15,550
Total Other Increases in Fund Resources:		515,550
Other Decreases in Fund Resources		
594-595	Capital Expenditures	552,116
591-593, 599	Debt Service	11,854
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		563,970
Increase (Decrease) in Cash and Investments:		18,149
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	102,321
50891	Unassigned	-
Total Ending Cash and Investments		102,321

The accompanying notes are an integral part of this statement.

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

		<u>Custodial</u>
308	Beginning Cash and Investments	-
388 & 588	Net Adjustments	-
310-390	Additions	5,211
510-590	Deductions	5,211
	Net Increase (Decrease) in Cash and Investments:	-
508	Ending Cash and Investments	-

The accompanying notes are an integral part of this statement.

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

Note 1 - Summary of Significant Accounting Policies

The City of Stevenson was incorporated on December 2, 1907 and operates under the laws of the state of Washington applicable to a non-charter code City with a mayor-council form of government. The City is a general-purpose local government and provides public safety, fire prevention, street maintenance, planning, parks maintenance, water and sewer, municipal court, health and social services and general administrative services.

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.
- 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 similar to the ending balance classification 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. The City uses four Special Revenue Funds: A Street Fund, a Tourism Promotion Fund (Lodging tax fund), an Affordable Housing Fund, and a HEALing SCARS Fund.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets. The City uses one primary Capital Projects Fund with separate capital projects funds for each major project.

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. The City uses one Enterprise Fund, the combined Water/Sewer Fund.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis. The City uses one Internal Service Fund, the Equipment Service Fund.

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. The City uses one Custodial Fund for Municipal Court Activities which are passed through to the state or other agencies.

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

It is the city's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. For further information see Note 3 - *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 30 days and is payable upon separation or retirement. Sick leave may be accumulated up to 1,440 hours. Upon separation after 25 years or retirement employees do receive payment for unused sick leave at the rate of 25% of the total remaining balance. Payments are recognized as expenditures when paid.

F. Liabilities

See Note 6 – *Long Term Liabilities*.

G. Subscription Based Information Technology Arrangements

(SBITA) For more information see Note 10 - SBITA.

H. 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 Council. When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

- General Fund – The primary source of revenue is America Rescue Plan Act (ARPA) funds, reserved in accordance with the Act, followed by unclaimed property, which is reserved in accordance with RCW 63.29 and a private pass-through grant for the Park Plaza Project. The balance of restricted funds for this Fund is \$51,135.
- Tourism Promotion Fund – The primary source of revenue is lodging tax receipts, which are reserved for tourism promotion activities per state law (RCW 67.28.1816) The balance of restricted funds for this Fund is \$1,441,465.
- Affordable Housing Fund – The primary source of revenue is the sales tax credit authorized in 2019 by SHB 1406, which is reserved for affordable housing activities per state law (RCW 82.14.540) The balance of restricted funds for this Fund is \$22,251.
- Capital Improvement Fund – The primary source of revenue is the Real Estate Excise Tax (REET), which is reserved for certain types of capital improvements per state law (RCW 82.46.010) The balance of restricted funds for this Fund is \$286,407.
- HEALing SCARS Fund – The primary sources of revenue for this fund are environmental mitigation donations, which were authorized in the 2022 budget in anticipation of the commitment established by Stevenson Resolution 2023-402 adopted on January 19th, 2023. The balance of committed funds for this Fund is \$10,437.
- Water/Sewer Fund – Balances required as part of USDA loans the City has incurred. The balance of restricted funds for this Fund is \$170,086.

Note 2 - Budget Compliance

The City adopts annual appropriated budgets for 20 funds, for a total of 10 funds when rolled up. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
001 - General Expense Fund			
General Expense Fund	1,624,593	1,319,093	305,500
ARPA	298,313	298,313	0
Total 001 - General Expense Fund	1,922,906	1,617,406	305,500
100 - Street Fund	832,691	814,664	18,027
103-Tourism Promo& Develop Fund	819,805	714,352	105,453
300 - Capital Improvement Fund	36,221	34,081	2,140
311 - First Street	1,049,221	1,003,376	45,845
312 - Columbia Ave	0	0	0
313 – Park Plaza Fund	382,252	118,551	263,701

314 – Lasher St. Improv. Fund	355,000	39,144	315,856
400 - Water/Sewer Fund			
Water/Sewer Fund	2,684,818	2,177,399	507,419
Wastewater System Upgrades	5,510,803	4,905,438	605,365
Cascade Ave Utility Improv.	168,233	77,647	90,586
Total 400 - Water/Sewer Fund	8,363,854	7,160,485	1,203,369
500 - Equipment Service Fund	790,129	754,509	35,619

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

For reporting purposes, the ARPA fund was rolled into the General Expense Fund, the Water System Upgrades Fund and the Cascade Avenue Utility Improvements Fund were rolled into the Water/Sewer Fund.

Interfund activity between managerial funds for transactions such as transfers and loans has been eliminated in the consolidation of the financials.

Note 3 – Deposits and Investments

Investments are reported at original cost. Deposits and investments by type at December 31, 2024 are as follows:

Type of deposit or investment	City's own deposits and investments	Total
Bank deposits	\$1,284,078	\$1,284,078
Local Government Investment Pool	2,814,761	2,814,761
U.S. Government securities	2,658,136	2,658,136
Total	\$6,756,975	\$6,756,975

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

Investments in the State Local Government Investment Pool (LGIP)

The 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.

Note 4 – Environmental and Certain Asset Retirement Liabilities

The City owns 1 well located on city owned property. The life of the well is perpetual due to its use as an emergency water source on an intermittent basis. There are currently no decommissioning requirements.

Note 5 - Accounting Changes and Error Corrections

During fiscal year 2024, the City implemented Compensated Absences reporting as required by the BARS Manual. The effect of that accounting standard is shown within the Schedule of Liabilities.

Note 6 – 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 revenue bonds, public works and private loans are as follows:

Year	Principal	Interest	Total
2025	155,852	39,303	195,155
2026	159,293	35,283	194,576
2027	140,397	31,107	171,504
2028	144,933	26,892	171,826
2029	128,386	22,555	150,941
2030 – 2034	539,968	58,604	598,572
2035 - 2039	225,541	11,178	236,718
2040 - 2044	96,718	1,220	97,938
Total	1,591,088	\$226,142	\$1,817,230

The city also has a loan for the construction of Wastewater System Upgrades through the Washington State Department of Ecology it will be drawing on through 2025. The total loan of \$10,301,371 contains

\$931,946 of forgivable principal. Through 2024, the city has drawn \$9,798,698 against the loan. The term of the loan is 30 years at 1.5% interest.

The debt service requirements for this loan at this time are as follows:

Year	Principal	Interest	Total
2025	0	0	0
2026	260,804	116,805	377,608
2027	264,730	113,664	378,394
2028	268,716	110,475	379,191
2029	272,762	107,238	380,000
2030 – 2034	1,426,662	485,909	1,912,571
2035 - 2039	1,537,347	397,362	1,934,708
2040 - 2044	1,656,618	301,945	1,958,562
2045 - 2049	1,785,142	199,125	1,984,267
2050 - 2054	1,923,638	88,328	2,011,967
2055 - 2059	402,278	3,625	405,903
Total	\$9,798,698	\$1,924,475	\$11,723,173

The city has also secured a loan through USDA Rural Development it will be drawing on through 2025. The loan is in the amount of \$873,000 towards wastewater collection system improvements. As of 2024, the city has drawn \$697,551 against the loan. The term of the loan is 40 years at 1.375% interest. This project is expected to be completed in 2025.

The debt service requirements for this loan at this time are as follows:

Year	Principal	Interest	Total
2025	0	0	0
2026	13,229	9,581	22,810
2027	13,412	9,398	22,810
2028	13,598	9,212	22,810
2029	13,786	9,024	22,810
2030 – 2034	71,847	42,201	114,048
2035 - 2039	76,961	37,086	114,048
2040 - 2044	82,440	31,608	114,048
2045 - 2049	88,308	25,740	114,048
2050 - 2054	94,594	19,454	114,048
2055 - 2059	101,327	12,720	114,048
2060 - 2064	108,540	5,508	114,048
2065 - 2069	19,510	191	19,702
Total	\$697,551	\$211,722	\$909,273

The city has also secured a loan for the construction of Water and Sewer Utility Improvements along Cascade Ave through the Washington State Public Works Board it began drawing on in 2024. The city

drew \$26,513 through 2024. The total loan of \$1,902,300 will have an interest rate of 1.38% and a loan term of 20 years. This project is expected to be completed in 2025.

The debt service requirements for this loan at this time are as follows:

Year	Principal	Interest	Total
2025	0	0	0
2026	1,128	315	1,443
2027	1,145	301	1,446
2028	1,162	287	1,450
2029	1,180	273	1,453
2030 – 2034	6,171	1,150	7,320
2035 - 2039	6,649	767	7,416
2040 - 2044	7,165	354	7,519
2045 - 2049	1,912	18	1,931
Total	\$26,513	\$3,465	\$29,978

Assets Pledged as Collateral for Debt

The following debt is secured by assets that are pledged as collateral:

Debt	Asset
2020 Opus Loan	City Water Meters

Compensated Absences

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

	Beginning Balance 1/1/2024	Additions	Reductions	Ending Balance 12/31/2024
Compensated Absences*	52,856	47,535	0	100,392
*Additions and reductions are reported as a net change				

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all 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.

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 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 %	Liability (Asset)
PERS 1	\$24,050	0.004018%	\$71,393
PERS 2/3	\$55,286	0.005617%	(\$185,169)
VFFRPF	\$ 360	0.21%	(\$24,235)

Only the net pension liabilities are reported on the Schedule of Liabilities.

Note 8 - Property Tax

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

Property Tax Calendar	
January 1	Tax is levied and becomes an enforceable lien against the properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments are due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

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 \$1.46490227 per \$1,000 on an assessed valuation of \$384,371,428 for a total regular levy of \$563,067.

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

Note 9 – Risk Management

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

contracting for risk management services. As of December 31, 2024, WCIA had a total of 168 members.

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

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

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

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

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

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

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

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

Note 10 – Subscription Based Information Technology Arrangements (SBITA)

During the year ended 12/31/23, the City of Stevenson adopted guidance for the presentation and disclosure of Subscription Based Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in a thorough review of all IT related contracts to determine if any were required to be reported as per the BARS manual. Continued review determined there were no new or existing IT contracts during 2024 meeting the requirements of being reported in this report.

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

a)

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities							
263.96	LOCAL Program	LOCAL equipment purchase.	12/31/2035	-	458,873	-	458,873
Total General Obligation Debt/Liabilities:				-	458,873	-	458,873
Revenue and Other (non G.O.) Debt/Liabilities							
263.88	Public Works Trust Fund (PWTF) Loans	PWTF loan, water system upgrade.	6/1/2026	69,820	-	23,273	46,547
252.11	Non-voted Revenue bonds	USDA RD loan, sewer outfall.	12/20/2033	246,107	-	25,907	220,200
263.84	Loans and other obligations to Washington state agencies (Except LOCAL and PWTF loans)	DOE SRF loan, design.	12/30/2041	745,815	-	34,774	711,041
252.11	Non-voted Revenue bonds	SMART Water lease.	4/1/2030	185,565	-	31,138	154,427
263.84	Loans and other obligations to Washington state agencies (Except LOCAL and PWTF loans)	DOE WWTP SRF loan.	12/31/2056	8,451,761	1,346,937	-	9,798,698
263.62	Notes Payable (promissory notes, BANs, TANs, GANs, etc.)	USDA RD loan, collection systems improvement	12/31/2066	253,680	443,871	-	697,551
263.88	Public Works Trust Fund (PWTF) Loans	PWTF Cascade Ave	12/31/2056	-	26,513	-	26,513
264.30	Pension Liabilities	State Retirement System		124,181	-	52,788	71,393
259.12	Compensated Absences	Compensated Absences		52,856	47,535	-	100,391
Total Revenue and Other (non G.O.) Debt/Liabilities:				10,129,785	1,864,856	167,880	11,826,761
Total Liabilities:				10,129,785	2,323,729	167,880	12,285,634

City of Stevenson
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
RURAL UTILITIES SERVICE; AGRICULTURE, DEPARTMENT OF	Water and Waste Disposal Systems for Rural Communities	10.760		-	443,871	443,871	-	1,2,3,4
Economic Development Cluster								
ECONOMIC DEVELOPMENT ADMINISTRATION, COMMERCE, DEPARTMENT OF	Economic Adjustment Assistance	11.307		-	2,009,721	2,009,721	-	1,2,4
Total Economic Development Cluster:				-	2,009,721	2,009,721	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	TAP-30A2(001)	730,809	-	730,809	-	1,2,4
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Department of Commerce)	COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	20-96627-230	298,313	-	298,313	-	1,2,4
Total Federal Awards Expended:				1,029,122	2,453,592	3,482,714	-	

The accompanying notes are an integral part of this schedule.

City of Stevenson

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

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 of accounting as described in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual published by the State Auditor's Office.

Note 2 – Federal De Minimis Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

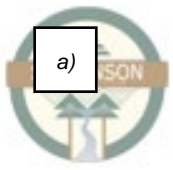
Note 3 – Federal Loans

The City was approved by the USDA Rural Utilities Service to receive a loan totaling \$873,000.00 to build a sewer treatment plant. Interim loan financing was received for the construction period. 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 \$697,551.00.

Both the current and prior year loans are reported on the City's Schedule of Liabilities.

Note 4 – Program Costs

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



CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

City of Stevenson
January 1, 2024 through December 31, 2024

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

Finding ref number: 2024-001	Finding caption: The City did not have adequate internal controls and did not comply with federal wage rate requirements.
Name, address, and telephone of City contact person: Wesley Wootten, City Administrator PO Box 371 Stevenson, WA 98648 509-427-5970	
Corrective action the auditee plans to take in response to the finding: <i>The City will strengthen oversight of federally funded projects by enhancing internal review and documentation processes.</i> <ol style="list-style-type: none"><i>A project compliance tracking form will be created and used for each project to document required wage rate verifications, funding sources, reporting deadlines, and accounting setup. This form will be reviewed and updated annually to ensure compliance with current federal requirements.</i><i>The City will also create a reimbursement tracking system to monitor project reimbursements and ensure consistency with the SEFA.</i><i>Staff responsible for project and grant administration will attend training opportunities related to federal compliance and wage rate requirements to ensure continued understanding and adherence.</i>	
Anticipated date to complete the corrective action: December 31, 2025	

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

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