

ANNUAL REPORT



MASON COUNTY WASHINGTON

For Fiscal Year Ended
December 31, 2023

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>Total for All Funds (Memo Only)</u>	<u>001 Current Expense</u>	<u>103 Sales Tax</u>	<u>104 Auditor's O&M</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	80,529,058	26,810,712	1,848,056	478,270
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	43,868,414	25,978,712	1,147,235	-
320	Licenses and Permits	2,190,880	1,670,875	-	-
330	Intergovernmental Revenues	24,795,852	7,795,214	-	37,549
340	Charges for Goods and Services	20,453,507	5,176,978	-	46,712
350	Fines and Penalties	663,059	653,071	-	-
360	Miscellaneous Revenues	9,299,712	3,828,265	100,075	18,221
Total Revenues:		<u>101,271,424</u>	<u>45,103,115</u>	<u>1,247,310</u>	<u>102,482</u>
Expenditures					
510	General Government	20,136,790	18,470,138	-	83,151
520	Public Safety	19,697,574	19,341,633	-	-
530	Utilities	9,105,823	-	-	-
540	Transportation	14,021,259	-	-	-
550	Natural/Economic Environment	5,296,058	3,426,104	228,309	-
560	Social Services	10,269,006	717,567	-	-
570	Culture and Recreation	1,040,308	927,120	-	-
Total Expenditures:		<u>79,566,818</u>	<u>42,882,562</u>	<u>228,309</u>	<u>83,151</u>
Excess (Deficiency) Revenues over Expenditures:		<u>21,704,606</u>	<u>2,220,553</u>	<u>1,019,001</u>	<u>19,331</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,260,861	704,453	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	219,349	107,402	-	-
Total Other Increases in Fund Resources:		<u>4,480,210</u>	<u>811,855</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	13,360,922	1,567,990	-	30,890
591-593, 599	Debt Service	2,823,805	56,809	-	-
597	Transfers-Out	4,260,861	463,845	450,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	127,735	28,437	-	-
Total Other Decreases in Fund Resources:		<u>20,573,323</u>	<u>2,117,081</u>	<u>450,000</u>	<u>30,890</u>
Increase (Decrease) in Cash and Investments:		<u>5,611,493</u>	<u>915,327</u>	<u>569,001</u>	<u>(11,559)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	43,210,269	3,519,446	2,417,057	466,709
50841	Committed	893,728	-	-	-
50851	Assigned	17,829,968	-	-	-
50891	Unassigned	24,206,599	24,206,599	-	-
Total Ending Cash and Investments		<u>86,140,564</u>	<u>27,726,045</u>	<u>2,417,057</u>	<u>466,709</u>

The accompanying notes are an integral part of this statement.

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>105 Roads</u>	<u>106 Paths</u>	<u>109 Election Equipment</u>	<u>110 Crime Victim</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	11,937,532	299,602	295,876	188,752
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	10,912,298	-	-	-
320	Licenses and Permits	38,734	-	-	-
330	Intergovernmental Revenues	7,008,254	10,359	-	12,374
340	Charges for Goods and Services	124,421	-	30,538	54,327
350	Fines and Penalties	-	-	-	4
360	Miscellaneous Revenues	1,091,733	8,011	11,881	-
Total Revenues:		<u>19,175,440</u>	<u>18,370</u>	<u>42,419</u>	<u>66,705</u>
Expenditures					
510	General Government	-	-	1,581	93,046
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	12,033,744	1,982	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>12,033,744</u>	<u>1,982</u>	<u>1,581</u>	<u>93,046</u>
Excess (Deficiency) Revenues over Expenditures:		<u>7,141,696</u>	<u>16,388</u>	<u>40,838</u>	<u>(26,341)</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	1,368	-	-	-
Total Other Increases in Fund Resources:		<u>1,368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,353,139	-	206,005	-
591-593, 599	Debt Service	305	-	-	-
597	Transfers-Out	995,025	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	1,044	-	-	-
Total Other Decreases in Fund Resources:		<u>6,349,513</u>	<u>-</u>	<u>206,005</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>793,551</u>	<u>16,388</u>	<u>(165,167)</u>	<u>(26,341)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	12,731,084	315,989	-	162,410
50841	Committed	-	-	130,708	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>12,731,084</u>	<u>315,989</u>	<u>130,708</u>	<u>162,410</u>

The accompanying notes are an integral part of this statement.

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>114 Victim Witness</u>	<u>117 Community Support</u>	<u>118 Abatement</u>	<u>120 REET</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	8,650	2,012,700	280,834	96,170
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	122,634	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	14,182	3,558,225	-	8,546
340	Charges for Goods and Services	-	590,333	-	8,598
350	Fines and Penalties	-	2,229	-	-
360	Miscellaneous Revenues	-	243,906	13,997	4,338
Total Revenues:		<u>14,182</u>	<u>4,517,327</u>	<u>13,997</u>	<u>21,482</u>
Expenditures					
510	General Government	22,526	-	-	19,065
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	1,253	-
560	Social Services	-	4,404,301	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>22,526</u>	<u>4,404,301</u>	<u>1,253</u>	<u>19,065</u>
Excess (Deficiency) Revenues over Expenditures:		<u>(8,344)</u>	<u>113,026</u>	<u>12,744</u>	<u>2,417</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(8,344)</u>	<u>113,026</u>	<u>12,744</u>	<u>2,417</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	2,125,726	-	98,586
50841	Committed	307	-	293,578	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>307</u>	<u>2,125,726</u>	<u>293,578</u>	<u>98,586</u>

The accompanying notes are an integral part of this statement.

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>134 Nat Forest Safety</u>	<u>135 Trial Court</u>	<u>141 Sheriff's Boating Program</u>	<u>142 Narcotics Investings Fund</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	24,500	93,295	83,389	94,555
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	22,936	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	1,155
360	Miscellaneous Revenues	-	-	-	43,265
Total Revenues:		22,936	-	-	44,420
Expenditures					
510	General Government	-	690	-	-
520	Public Safety	13,461	-	30,069	45,344
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		13,461	690	30,069	45,344
Excess (Deficiency) Revenues over Expenditures:		9,475	(690)	(30,069)	(924)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	22,508	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	22,508	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		9,475	21,818	(30,069)	(924)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	33,974	115,113	53,320	93,630
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		33,974	115,113	53,320	93,630

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Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>145 Mason Water District</u>	<u>150 Public Health</u>	<u>155 ARPA Fund</u>	<u>160 Law Library</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	176,179	2,228,136	7,594,361	38,174
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	481,271	-	-
330	Intergovernmental Revenues	-	2,960,777	-	-
340	Charges for Goods and Services	-	543,280	-	23,013
350	Fines and Penalties	-	6,600	-	-
360	Miscellaneous Revenues	180,010	300,364	318,952	-
Total Revenues:		<u>180,010</u>	<u>4,292,292</u>	<u>318,952</u>	<u>23,013</u>
Expenditures					
510	General Government	-	-	68,564	-
520	Public Safety	-	-	267,067	-
530	Utilities	-	-	1,054,254	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	1,958	-	863,727	-
560	Social Services	-	4,336,367	58,217	-
570	Culture and Recreation	-	-	30,000	33,791
Total Expenditures:		<u>1,958</u>	<u>4,336,367</u>	<u>2,341,829</u>	<u>33,791</u>
Excess (Deficiency) Revenues over Expenditures:		<u>178,052</u>	<u>(44,075)</u>	<u>(2,022,877)</u>	<u>(10,778)</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	662,531	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>662,531</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	94,274	342,000	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	186,276	-	410,146	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>186,276</u>	<u>94,274</u>	<u>752,146</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>(8,224)</u>	<u>524,182</u>	<u>(2,775,023)</u>	<u>(10,778)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	167,956	2,752,318	4,819,339	27,397
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>167,956</u>	<u>2,752,318</u>	<u>4,819,339</u>	<u>27,397</u>

The accompanying notes are an integral part of this statement.

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>163 Lodging Tax</u>	<u>164 Mental Health</u>	<u>180 Treasurer M&O</u>	<u>190 Vet Asst</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,676,118	2,044,369	107,773	220,002
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,066,219	1,498,669	-	149,247
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	66	-	42
340	Charges for Goods and Services	-	-	178,719	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	63,337	118,187	9,074	13,182
Total Revenues:		<u>1,129,556</u>	<u>1,616,922</u>	<u>187,793</u>	<u>162,471</u>
Expenditures					
510	General Government	15,576	-	168,483	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	722,505	-	-	-
560	Social Services	-	648,333	-	104,221
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>738,081</u>	<u>648,333</u>	<u>168,483</u>	<u>104,221</u>
Excess (Deficiency) Revenues over Expenditures:		<u>391,475</u>	<u>968,589</u>	<u>19,310</u>	<u>58,250</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	4,400
591-593, 599	Debt Service	-	6	-	2,204
597	Transfers-Out	-	588,838	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>588,844</u>	<u>-</u>	<u>6,604</u>
Increase (Decrease) in Cash and Investments:		<u>391,475</u>	<u>379,745</u>	<u>19,310</u>	<u>51,646</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,067,594	2,424,113	127,082	271,647
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>2,067,594</u>	<u>2,424,113</u>	<u>127,082</u>	<u>271,647</u>

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Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>192 Skok Flood</u>	<u>194 Mason Lake</u>	<u>195 Spencer Lake</u>	<u>199 Island Lake</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	11,032	68,666	7,840	26,062
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	47,675	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	44,002	16,597	988
Total Revenues:		<u>47,675</u>	<u>44,002</u>	<u>16,597</u>	<u>988</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	6,323	15,201	17,114	13,564
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>6,323</u>	<u>15,201</u>	<u>17,114</u>	<u>13,564</u>
Excess (Deficiency) Revenues over Expenditures:		<u>41,352</u>	<u>28,801</u>	<u>(517)</u>	<u>(12,576)</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	10,554	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>10,554</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>30,798</u>	<u>28,801</u>	<u>(517)</u>	<u>(12,576)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	41,830	97,466	-	-
50841	Committed	-	-	7,323	13,486
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>41,830</u>	<u>97,466</u>	<u>7,323</u>	<u>13,486</u>

The accompanying notes are an integral part of this statement.

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		205 PW Fac Bond 2007	215 LTGO 2013 Bond	250 2008 GO Bond	350 REET 1
Beginning Cash and Investments					
308	Beginning Cash and Investments	2,875	79,656	17,209	2,319,216
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	1,496,700
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	32,625	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	16,805	7,269	11,589	110,126
Total Revenues:		<u>16,805</u>	<u>39,894</u>	<u>11,589</u>	<u>1,606,826</u>
Expenditures					
510	General Government	-	350	-	90,627
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>350</u>	<u>-</u>	<u>90,627</u>
Excess (Deficiency) Revenues over Expenditures:		<u>16,805</u>	<u>39,544</u>	<u>11,589</u>	<u>1,516,199</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	995,025	95,082	274,731	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>995,025</u>	<u>95,082</u>	<u>274,731</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	1,284,333
591-593, 599	Debt Service	994,625	129,082	274,317	-
597	Transfers-Out	-	-	-	304,731
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>994,625</u>	<u>129,082</u>	<u>274,317</u>	<u>1,589,064</u>
Increase (Decrease) in Cash and Investments:		<u>17,205</u>	<u>5,544</u>	<u>12,003</u>	<u>(72,865)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	2,246,353
50841	Committed	-	-	-	-
50851	Assigned	20,080	85,200	29,212	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>20,080</u>	<u>85,200</u>	<u>29,212</u>	<u>2,246,353</u>

The accompanying notes are an integral part of this statement.

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>351 REET 2</u>	<u>402 Landfill</u>	<u>403 N Bay</u>	<u>411 Rustlewood</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	5,216,240	3,083,257	2,244,037	72,320
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,496,700	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	141,729	-	83,706
340	Charges for Goods and Services	-	6,393,833	2,090,427	287,296
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	279,328	173,569	196,280	2,273
Total Revenues:		<u>1,776,028</u>	<u>6,709,131</u>	<u>2,286,707</u>	<u>373,275</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	5,500,367	1,237,183	345,996
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	49,397	-	-	-
Total Expenditures:		<u>49,397</u>	<u>5,500,367</u>	<u>1,237,183</u>	<u>345,996</u>
Excess (Deficiency) Revenues over Expenditures:		<u>1,726,631</u>	<u>1,208,764</u>	<u>1,049,524</u>	<u>27,279</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	53,619	62,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	99,786	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>99,786</u>	<u>53,619</u>	<u>62,000</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	46,740	313,457	9,412	76,629
591-593, 599	Debt Service	-	-	271,425	61,995
597	Transfers-Out	862,000	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	92,652	176	216
Total Other Decreases in Fund Resources:		<u>908,740</u>	<u>406,109</u>	<u>281,013</u>	<u>138,840</u>
Increase (Decrease) in Cash and Investments:		<u>817,891</u>	<u>902,441</u>	<u>822,130</u>	<u>(49,561)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	6,034,130	-	-	-
50841	Committed	-	448,326	-	-
50851	Assigned	-	3,537,377	3,066,166	22,763
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>6,034,130</u>	<u>3,985,703</u>	<u>3,066,166</u>	<u>22,763</u>

The accompanying notes are an integral part of this statement.

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>412 Beards</u>	<u>413 Belfair</u>	<u>500 Information Tech</u>	<u>501 Equipment Rental & Revolving</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	919,257	2,616,738	252,081	4,740,011
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	3,061,593	-	-
340	Charges for Goods and Services	250,341	591,007	1,151,255	2,836,225
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	37,210	1,793,709	-	243,169
Total Revenues:		<u>287,551</u>	<u>5,446,309</u>	<u>1,151,255</u>	<u>3,079,394</u>
Expenditures					
510	General Government	-	-	1,053,319	-
520	Public Safety	-	-	-	-
530	Utilities	164,787	803,236	-	-
540	Transportation	-	-	-	1,985,533
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>164,787</u>	<u>803,236</u>	<u>1,053,319</u>	<u>1,985,533</u>
Excess (Deficiency) Revenues over Expenditures:		<u>122,764</u>	<u>4,643,073</u>	<u>97,936</u>	<u>1,093,861</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	1,390,912	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	10,793
Total Other Increases in Fund Resources:		<u>-</u>	<u>1,390,912</u>	<u>-</u>	<u>10,793</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	39,490	3,948,607	-	33,002
591-593, 599	Debt Service	11,594	1,021,443	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	71	1,204	-	3,935
Total Other Decreases in Fund Resources:		<u>51,155</u>	<u>4,971,254</u>	<u>-</u>	<u>36,937</u>
Increase (Decrease) in Cash and Investments:		<u>71,609</u>	<u>1,062,731</u>	<u>97,936</u>	<u>1,067,717</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	990,867	3,679,469	350,021	5,807,727
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>990,867</u>	<u>3,679,469</u>	<u>350,021</u>	<u>5,807,727</u>

The accompanying notes are an integral part of this statement.

Mason County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		<u>502</u>
		<u>Unemployment</u>
Beginning Cash and Investments		
308	Beginning Cash and Investments	214,556
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	76,204
350	Fines and Penalties	-
360	Miscellaneous Revenues	-
Total Revenues:		<u>76,204</u>
Expenditures		
510	General Government	49,674
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>49,674</u>
Excess (Deficiency) Revenues over Expenditures:		<u>26,530</u>
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		<u>-</u>
Other Decreases in Fund Resources		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>26,530</u>
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	241,086
50891	Unassigned	-
Total Ending Cash and Investments		<u>241,086</u>

The accompanying notes are an integral part of this statement.

Mason County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		Total for All Funds (Memo Only)	Private-Purpose Trust	Custodial	External Investment Pool Fund
308	Beginning Cash and Investments	151,454,748	594,454	22,726,575	128,133,719
388 & 588	Net Adjustments	-	-	-	-
310-390	Additions	552,609,670	175,905	498,153,336	54,280,429
510-590	Deductions	535,708,168	99,427	494,979,288	40,629,453
	Net Increase (Decrease) in Cash and Investments:	16,901,502	76,478	3,174,048	13,650,976
508	Ending Cash and Investments	168,356,251	670,933	25,900,623	141,784,695

The accompanying notes are an integral part of this statement.

Mason County, WA
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

Mason County was incorporated in 1854 and operates under the laws of the state of Washington applicable to a commissioner form of government. The County is a general-purpose local government and provides: public safety, road and street maintenance, planning and zoning, parks and recreation, judicial administration, health and social services, general administrative services, sewage collection and treatment.

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

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

FIDUCIARY FUND TYPES:

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

Private-Purpose Trust Funds

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

Investment Trust Funds

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

Custodial Funds

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

B. Basis of Accounting and Measurement Focus

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

C. Budgets

The County adopts annual appropriated budgets for approximately 46 funds. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
WSU	\$ 387,863	\$ 363,544	\$ 24,319
Assessor	1,478,815	1,437,062	41,753
Auditor	2,031,462	1,832,219	199,243
Emergency Management	560,330	534,554	25,776
Facilities and Grounds	1,595,159	1,385,570	209,589
Human Resources	926,434	770,899	155,535
LEOFF	120,000	89,335	30,665
Clerk	1,219,959	1,188,934	31,025
Commissioners	390,615	378,427	12,188
Support Services	1,064,379	1,012,693	51,686
District Court	1,537,038	1,397,316	139,722
Community Services	3,256,041	2,927,002	329,039
Historical Preservation	41,150	22,962	18,188
Parks & Trails	814,815	745,843	68,972
Probation-Juvenile	2,157,933	1,888,522	269,411
Prosecutor	2,188,840	1,846,560	342,280
Child Support Enforcement	174,363	98,783	75,580
Coroner	640,942	595,499	45,443
Sheriff	16,448,169	15,657,701	790,468
Courthouse Security	309,300	267,337	41,963
OPD Funding	1,623,125	1,589,758	33,367
Superior Court	1,558,047	1,500,007	58,040
Family Court	2,500	2,500	-
Therapeutic Court	787,786	514,419	273,367
Treasurer	913,511	867,828	45,683
Non-Departmental	6,219,092	5,620,516	598,576
Transfers Out	620,559	463,845	156,714
	\$ 49,068,227	\$ 44,999,635	\$ 4,068,592

Fund/Department	Final		Variance
	Appropriated Amounts	Actual Expenditures	
001 General Fund	\$ 49,068,227	\$ 44,999,635	\$ 4,068,592
103 Sales Tax	678,711	678,309	402
104 Auditor's O & M	144,635	114,043	30,592
105 Roads	23,793,040	18,383,256	5,409,784
106 Paths & Trails	2,047	1,982	65
109 Election Equipment Holding	255,348	207,586	47,762
110 Crime Victims	106,491	93,047	13,444
114 Victim Witness	52,740	22,525	30,215
117 Community Support Services	5,231,488	4,404,300	827,188
118 Abatement	54,155	1,253	52,902
120 REET & Property Tax Admin	110,750	19,066	91,684
134 National Forest Safety	36,500	13,461	23,039
135 Trial Court Improvements	53,715	690	53,025
141 Sheiff's Boating Program	42,083	30,069	12,014
142 Narcotics Investigation Fund	55,869	45,344	10,525
145 Mason County Water District	190,153	188,234	1,919
150 Public Health	4,867,531	4,430,638	436,893
155 American Rescue Plan Act	7,562,927	3,093,974	4,468,953
160 Law Library	35,356	33,789	1,567
163 Lodging Tax	988,514	738,080	250,434
164 Mental Health	1,579,450	1,237,178	342,272
180 Treasurer's M&O Fund	355,062	168,484	186,578
190 Veterans Assitance	252,000	110,825	141,175
192 Skokomish Flood Zone	6,908,235	16,877	6,891,358
194 Mason Lake Management District	108,367	15,201	93,166
195 Spencer Lake Management District	23,876	17,114	6,762
199 Island Lake Management District	26,078	13,563	12,515
205 PW Facility Bond	995,025	994,625	400
215 LTGO 2013 Bond	130,082	129,432	650
250 LTGO 2008 Bond	274,731	274,317	414
350 REET 1 - Capital Improvements	2,101,804	1,679,689	422,115
351 REET 2 - Capital Improvements	2,103,875	958,137	1,145,738
402 Landfill	7,362,561	5,906,474	1,456,087
403 N Bay Case Inlet Utility	2,235,214	1,518,196	717,018
411 Rustlewood Sewer & Water	776,347	484,833	291,514
412 Beards Cove Water	335,427	215,941	119,486
413 Belfair Sewer	7,142,083	5,774,489	1,367,594
500 Information Technology	1,261,915	1,053,315	208,600
501 Equipment Rental and Revolving	3,345,768	2,022,470	1,323,298
502 Unemployment Fund	276,204	49,674	226,530
	\$130,924,384	\$100,140,115	\$30,784,269

Amendments to the budget require either supplemental appropriation or emergency resolutions approved by the Board of County Commissioners at a public meeting following appropriate public notice. Any revisions that alter total expenditures of a fund or that affect the number of permanent employee positions, or other conditions of employment must be approved by the Commission.

D. Cash and Investments

See Note 2, Deposits and Investments

E. 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.

F. Compensated Absences

Vacation leave may be accumulated up to 50 days and is payable upon separation or retirement. Sick leave may be accumulated 1,200 hours. Payments are recognized as expenditures when paid. The Sheriff's department clerical may accumulate up to 350 hours of vacation and 1050 hours of sick leave. Non-Union employees hired prior to April 13, 2010 will be paid for all accumulated outstanding sick leave upon retirement, death, or if an employee terminates with at least fifteen continuous years of service. If they are hired on or after April 13, 2010, they shall not be entitled to any cash out of sick leave upon separation from service. AFSCME, Engineers Guild, Teamsters General Services, Teamsters Personal Health, IWA Corrections, IWA Prosecutor's, and the Deputies Guild do not allow sick leave cash out for new hires after January 1, 2011. The Sheriff's Department also receives accumulated holiday and compensated hours upon retirement, termination, or death. The Sheriff's Department jail and corrections staff can only be paid for 30 days of vacation time upon termination, death, or retirement. The Sheriff's Department deputies receive 32 hours, or 4 days, of premium pay. This time must be used prior to any vacation or comp hours used in the current year, they can't be banked.

G. Long-Term Debt

See Note 5, *Long Term Debt*

H. Restricted and Committed Portion of Ending Cash and Investments

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

Restricted and Committed Portion of Ending Cash and Investments consist of \$44,103,997:

Restricted/Committed Revenue Purpose	Amount
Community Development Permit Fees	\$ 3,212,386
Sheriff Donations and Prisoner Welfare	69,523
Elections Grant Advance	136,802
Historical Preservation	100,734
Finance Public Facilities	2,417,057
Document Preservation	466,709
Road Preservation and Maintenance	13,047,073
Election Equipment Maintenance and Replacement	130,708
Facilitate testimony by the victims of crime and witnesses to crimes.	162,410
Pay costs of meeting the needs of victims of crime.	307
Affordable Housing	2,125,726
Used strictly for building abatement and code enforcement.	293,578
Maintenance and Development of Real Estate Excise Tax Affidavits Systems	98,586
Federal Forest Title III	33,974
Improve Trial Court	115,113
Facilitate better fiscal management of the Boating Safety Program.	53,320
Narcotic enforcement of federal, state, and local laws.	93,630
Improve water quality and shellfish protection.	167,956
Administration of public health services.	2,752,318
Grant Advance	4,819,339
Support of Law Library	27,397
Tourism Promotion, Facilities and Activities	2,067,594
Chemical Dependency or Mental Health Treatment Programs	2,424,113
Manage Tax Foreclosures	127,082
Veterans Relief	271,648
Special Assessments	160,105
Capital Projects	8,280,483
Landfill Reserve	448,326
	<u>\$ 44,103,997</u>

Note 2 – Deposits and Investments

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

Type of Investment	County's Own Investments	Investments held by County as agent for other local governments, individuals or private organizations	Total
Bank Deposits	\$ (1,091,043)	\$ 6,896,654	\$ 5,805,611
L.G.I.P.	73,656,997	161,459,597	235,116,594
U.S. Government Securities	13,574,610	-	13,574,610
Certificates of Deposit	-	-	-
Total	\$ 86,140,564	\$ 168,356,251	\$ 254,496,815

It is the County’s policy to invest all temporary cash surpluses. The Bank Deposits for the County’s Own investments is presenting a deficit because of \$1.1 million in outstanding warrants at year end and RCW 36.29.020 allows the County to invest surplus of other local governments.

The interest or other earnings of income from funds of any municipal corporation of which the governing body has not taken any action pertaining to the investment of funds and that have been invested in accordance with state statues, shall be deposited in the current expense fund of the county and may be used for general county purposes. The county takes responsibility to carefully review the statutory language governing a particular revenue source to determine restrictions related to interest and other investment income.

The interest or other earnings of income from funds of any municipal corporation invested as directed pursuant to the Revised Code of Washington are prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

The county 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, or online at ww.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the county 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 county’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 county or its agent in the government's name. The investments are managed by the Treasurer, which reports investment activity to the County Finance Committee quarterly. Additionally, the County treasurer investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial review, and annual reporting.

Compensating Balances

The county treasurer has a compensating balance agreement in its banking contract with Columbia Bank. The compensating balance is used to help offset the payments due for services rendered. The average compensating balance maintained during 2023 was \$9,623,072.

Note 3 - Property Tax

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

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

The County's regular levy for the year 2023 was \$0.8484564 per \$1,000 on an assessed valuation of \$12,677,274,973 for a total regular levy of \$10,756,118 which included General Fund for \$10,389,388, Mental Health for \$224,165 and Veteran's Relief for \$142,564. The Road District levy for 2023 was \$0.9946505 per \$1,000 on an assessed valuation of \$11,543,093,297 to a total regular levy of \$11,481,345.

Note 4 – Leases

The County leased two buildings for \$2,300 and \$4,018 per month under lease agreements ending in 2023. The County leases another building for \$550 per month starting in 2023 and ending in 2024.

The County leases 32 copiers from Ricoh and De Lage for payments ranging from \$17 to \$371 per month under 5-year lease agreements.

The County leased approximately 85 tasers from Axon for \$66,586 per year ending 2023. In 2023, The County entered into a new lease for 95 tasers for 60 months with payments ranging from \$86,642 to \$101,358 per year.

The County leases over 83 vehicles from Enterprise for the County departments for payments ranging between \$300 and \$1,352 under 4-year lease agreements with rotating end dates from 2024 to 2027.

The total amount paid for leases in the current reporting period was \$1,002,377. As of December 31, 2023, the future lease payments are as follows:

Year Ended December 31,	<u>Total</u>
2024	\$ 866,818
2025	506,865
2026	304,955
2027	193,375
Total	<u><u>\$ 1,872,013</u></u>

Note 5 – Long Term Debt

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the County’s debt transactions for year ended December 31, 2023.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,124,358	\$ 506,038	\$ 2,630,396
2025	2,185,481	434,508	2,619,989
2026	2,250,703	370,818	2,621,521
2027	2,321,550	292,489	2,614,039
2028	1,124,760	234,955	1,359,715
2028-2032	3,567,624	791,796	4,359,420
2033-2037	1,294,091	432,467	1,726,558
2038-2042	1,265,075	186,488	1,451,563
2043-2047	315,027	51,355	366,382
2048-2052	46,178	11,792	57,970
2053-2057	53,154	4,643	57,797
2058-2061	2,115	33	2,148
Total	<u><u>\$ 16,550,116</u></u>	<u><u>\$ 3,317,382</u></u>	<u><u>\$ 19,867,498</u></u>

Note 6 – Pension Plans

State Sponsored Pension Plans

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

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

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

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

At June 30, 2023, the County proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$836,564	.122765	\$2,802,396
PERS 2/3	\$1,217,274	.138449	\$(5,674,586)
PSERS 2	\$180,727	.358935	\$(380,611)
LEOFF 1	\$0	.020572	\$(610,582)
LEOFF 2	\$245,955	.108966	\$(2,613,656)

Only the net pension liability is reported on the Schedule 09.

LEOFF Plan 1

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

LEOFF Plan 2

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

Note 7 – Risk Management

Mason County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2023, 24 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management, education, and claims administration. The Pool's liability program provides coverage for general liability, public officials liability, police professional liability, employment practices liability, and automobile liability. County deductibles range from \$10,000 to \$500,000. Reinsurance is purchased in several layers up to the policy limits of \$10,000,000. Members may purchase an optional \$5,000,000 excess of \$20,000,000 layer of coverage. Allocated Loss Adjustment Expense (ALAE) is combined with losses for purposes of the Pool retention, excess insurance, and deductibles. For losses occurring in 2023, Mason County selected a per-occurrence deductible of \$25,000.

Members make an annual contribution to fund the Pool. The Pool acquires excess and reinsurance for further protection from larger losses. For the first \$10,000,000 of coverage, the Pool acquires reinsurance. The reinsurance agreements are written with Self-Insured Retentions ("SIRs") equal to the amount of the layer of coverage below. For the Pool's 2020-21 Fiscal Year, the Pool's SIR was \$2,000,000 and for the Pool's 2021-22 and 2022-23 Fiscal Years, the Pool's SIR was \$3,000,000. The other reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$30,000,000 (lowest reinsured layer), \$50 million, (second layer). The Pool purchases excess coverage for the additional \$10,000,000 with an aggregate limit of \$100,000,000. Since the Pool is a cooperative program, there is a joint liability among the participating members. For the 2022-23 Fiscal Year, 15 of the Pool's 25 member counties group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000.

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles, and for their proportional shares of the entry year's assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any member may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

The Pool is fully funded by its member participants. Claims are filed directly with the Pool by members and adjusted by one of the four staff members responsible for evaluating each claim for coverage, establishing reserves and investigating claims for any risk-shared liability. The Pool does not contract with any third-party administrators for claims adjustment or loss prevention services.

During 2022-23, Mason County was also one of twenty-four (24) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Mason County also participates in the jointly purchased cyber risk and security coverage from a highly rated commercial insurer. This group-purchased cyber coverage provides limits of \$2,000,000 per claim and \$5,000,000 in the aggregate. For 2023, the Pool's SIR for cyber claims was \$500,000 from January 1 through December 31, with Mason County having no deductible.

Beginning in the 2022-23 Fiscal Year, Mason County was one of 23 counties that participated in a group purchased crime policy, which included limits of \$2,000,000 and with a county deductible of \$25,000.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. The Board of Directors generally meets three-times each year with the Annual Meeting of the Pool being held in summer. The Board approves the extent of risk-sharing, approves the Pool's self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool's annual operating budget.

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and review the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by more than \$100,000, c). to authorize by two-thirds majority vote commencement of lawsuits in the name of the Pool.

During 2022-23, the WCRP's assets increased to \$69,171,241 while its liabilities also increased to \$44,769,402. The Pool's net position ended at \$25,531,296. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2023, was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

SELF-INSURANCE

The County is self-insured for unemployment claims. The County has an internal service fund for the Unemployment collections and disbursements. County departments contribute to the internal service fund yearly. Claims are processed through the State of Washington Employment Security Department and billed to the County.

Note 8 – Other Postemployment Benefits

PEBB

The County is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The County had 212 active plan members and 31 retired plan members as of December 31, 2023. As of December 31, 2023, the County's total OPEB liability was \$6,547,092 as calculated using the alternative measurement method. The County contributed \$2,949,765 to the plan for the year ended December 31, 2023.

LEOFF I OPEB

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the County as required by RCW 41.26.150. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2023, the plan had 9 members, all retirees. As of December 31, 2023, the County's total OPEB liability was \$4,524,314, as calculated using the alternative measurement method. For the year ended December 31, 2023, the County paid \$89,335 in benefits.

Note 9 – External Investment Pool

The External Investment Pool sponsored by the County through the Washington State Local Government Investment Pool (LGIP) was established on March 26, 1991. Revised Code of Washington (RCW) 36.29.022, 36.29.010, 36.29.020, authorize the County Treasurer to invest its surplus cash and any funds of municipal corporations which are not required for immediate expenditure and are in the custody or control of the county treasurer. The External Investment Pool's investments are invested pursuant to the Revised Code of Washington. Any credits or payments to pool participants are calculated and made in a manner as required by RCW 36.29.024.

The investments are managed by the Treasurer, which reports investment activity to the County Finance Committee on a quarterly basis. Additionally, the County treasurer investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial review, and annual financial reporting. The County has not provided nor obtained any legally binding guarantees during the year ended December 31, 2023, to support the value of shares in the Pool.

The External Investment Pool is not registered with the SEC and is not subject to any formal oversight other than that provided by the County Finance Committee. The Committee is responsible for adopting investment objectives and policies, for hiring investment advisors, and for monitoring policy implementation and investment performance. The Committee's primary role is to oversee the allocation of the Pool's portfolio among the asset classes, investment vehicles, and investment managers.

The interest or other earnings of income from the funds of any municipal corporation of which the governing body has not taken any action pertaining to the investment of funds and that have been invested in accordance with state statutes, shall be deposited in the current expense fund of the county and may be used for general county purposes. The total amount of income from the External Investment Pool assigned to the County's general fund for the year was \$2,358,752.16. These investments made by the County Treasurer on behalf of the participants is involuntary participation in the County Treasurer's Investment Pool as they are required to be invested by statute.

Approximately 48% of the County Treasurer's Pool consists of these involuntary participants. Voluntary participants in the County Treasurer's Pool include (County, Cemetery, Fire, Transit, Ports, Hospital, School and Water Districts). The deposits held for both involuntary and voluntary entities are included in the Investment Trust Funds and External Investment Pool - Custodial Fund.

The Treasurer also maintains Individual Investment Accounts, as directed by external depositors, which are invested pursuant to the Revised Code of Washington. This investment activity occurs separately from the County's Pool and is reported in the Individual Investment Trust Fund in the amount of \$160,798,060.40.

Income from the specific investments acquired for the individual municipalities, and changes in the value of those investments, affect only the municipality for which they are acquired, and are aggregated in the Individual Investment Fund.

Note 10 - 2023 Belfair Sewer Fund and Rustlewood Water & Sewer Fund Financial Condition

Belfair Sewer Fund #413

The Belfair wastewater and water reclamation facility, located in the unincorporated community of Belfair in Mason County, WA, plays a crucial role in treating wastewater and reclaiming water for various uses, supporting environmental sustainability in the region.

In 2023, the facility’s collection system comprised nearly 650 Equivalent Residential Units (ERUs). New connection fees collected amounted to \$1,597,407. Additionally, sewer service charges collected were \$591,007.

In 2022, the Board of County Commissioners (BOCC) instructed staff to evaluate the operational debt and future Capital Improvement Program (CIP) costs, and to propose rate and revenue adjustments for 2023. Subsequently, the Board passed Resolution 2022-092, which approved a 5% increase in utility rates and fees for 2023.

The Belfair sewer facility’s financial condition had significant financial advancement with the BOCC prioritizing debt service management and accelerating payoff schedules for the LTGO 2020A and LTGO 2021 loans. To address 2023 debt service obligations and fund reserves, the BOCC approved \$800,000 in Real Estate Excise Tax (REET) and \$450,000 in .09 Tax funds to the Belfair Wastewater fund. It is anticipated that similar funds will be made available in 2024-2027 for debt service management.

	LTGO 2020 A	LTGO 2021	TOTAL
2024	\$ 574,997	\$ 350,878	\$ 925,875
2025	575,708	346,126	921,834
2026	576,153	350,835	926,988
2027	576,096	349,634	925,730
	\$ 2,302,954	\$ 1,397,473	\$ 3,700,427

To fully address the remaining 2028-2032 LTGO 2020A and LTGO 2021 principal debt of \$2,321,209 by 2027 and to accelerate payoff 3-5 years early, the Belfair sewer facility anticipates receiving additional REET funds, saving more than \$100,000 in loan interest. This strategic use of REET funds is aimed at managing the financial burden imposed by the expedited loan payoff schedules to ensure the facility's financial stability.

	<u>LTGO 2020 A</u>	<u>LTGO 2021</u>	<u>TOTAL</u>
2028	\$ 363,746	\$ 327,485	\$ 691,231
2029	370,836	336,870	707,706
2030	231,376	340,465	571,841
2031	235,889		235,889
2032	114,543		114,543
TOTAL	\$ 1,316,389	\$ 1,004,820	\$ 2,321,209

The Commissioners also approved a project to extend the Belfair sewer facility, awarding a construction contract worth \$4,231,500. The project is partially funded by \$1,500,00 from the American Rescue Plan Act (ARPA), with the remaining amount to be financed through a Public Works Commerce loan. The new debt is estimated to be under \$2,650,000 after a 5% debt reduction, contingent on project completion by April 1, 2024. The annual loan payments are estimated at \$175,000, assuming an interest rate of 0.54%.

The Belfair facility is essential for wastewater management and water reclamation in Mason County. Financial strategies, including connection fees, service charges, and strategic borrowing, support the facility's expansion and operations, ensuring its contribution to regional environmental sustainability continues effectively.

Rustlewood Sewer Fund #411-100 and Water Fund #411-200

The Rustlewood community consists of 167 lots, of which approximately 93% are connected to sewer and/or water services. The Rustlewood water and sewer systems have little capacity for expansion, therefore system growth is not expected to provide economies of scale. Therefore, annual transfers in from the General Fund (typically REET 2) and grants are typically necessary to balance the budget.

Per Mason County Resolution 05-09, Rustlewood Water and Sewer Fund rates are typically adjusted annually based on the April Consumer Price Index for Goods and Services. However, in 2022, the Board of County Commissioners approved Resolution 2022-092. This resolution approved 2023 utility rates and fees to increase 5% in lieu of the 2022 April CPI-u of 9.1%.

In 2022, Commissioners directed staff to evaluate operational, debt and future CIP costs, and report back recommended rate/revenue changes in 2023. Staff will be presenting their recommendations to Commissioners in early 2024.

Rustlewood Sewer Fund #400-100:

- **Expenditures:** Projected to average \$450,000 per year over the next decade, with 14% going towards debt, 13% towards future capital improvements, and the remainder towards O&M costs.
- **Revenues:** Projected to average approximately \$292,000 per year, resulting in a projected annual deficit of \$158,000.

- **Needed Actions:**
 - Increase revenues through a combination of rate increases, securing grants, seeking other outside revenues, and potentially reducing expenditures.
 - Address the deficit through a balanced approach that considers both revenue enhancement and cost control measures.
 - Implement planned capital improvement projects with the assistance of grants to improve the fund's financial condition.

Rustlewood Water Fund #400-200:

- **Expenditures:** Projected to average \$270,000 per year over the next decade, with 18% allocated for planned capital improvements and 82% for O&M costs.
- **Revenues:** Projected to average approximately \$74,000 per year, resulting in a projected annual deficit of \$196,000.
- **Grant:** Mason County received a grant of \$553,500 for water system upgrades, with 16.5% of the grant expended by the end of 2023.
- **Needed Actions:**
 - Increase revenues through a combination of rate increases, securing grants, seeking other outside revenues, and potentially reducing expenditures.
 - Commissioners to implement metered rates as part of the 2024 staff recommendations.
 - Utilize the remaining grant funds to address water quality challenges and improve system reliability and safety.
 - Address the deficit through a balanced approach that considers both revenue enhancement and cost control measures.

By implementing a combination of rate adjustments, grant acquisitions, expenditure reductions, and operational efficiencies, Rustlewood can work towards improving the financial health of its water and sewer funds while ensuring the continued provision of essential services to its residents.

Note 11 – Related Parties

Mason County has the following relationships:

- Mason Transit Authority – The County's Commissioners sit on the Mason Transit Board. Commissioners also have the authority to appoint members to this board.
- Mason Housing Authority – The County appoints members to the Mason County Housing Authority Board.
- MACECOM – A County Commissioner sits on the Board.
- Thurston Mason Behavioral Health Organization – There is one Board member appointed by the Commissioners.