

ANNUAL REPORT



MASON COUNTY WASHINGTON

For Fiscal Year Ended
December 31, 2022

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

	Total for All Funds (Memo Only)	001 Current Expense Fund	103 Rural County Sales & Use Tax
Beginning Cash and Investments			
3083100 Restricted	\$ 30,426,788.86	\$ 1,318,710.00	\$ 1,353,351.06
3084100 Committed	1,019,623.43		
3085100 Assigned	11,486,938.84		
3089100 Unassigned	20,376,114.23	20,376,114.23	
388/588 Prior Period Adjustment, Net	-		
Revenues			
310 Taxes	43,696,540.11	26,518,931.64	1,121,521.71
320 Licenses and Permits	2,188,834.43	1,660,482.68	-
330 Intergovernmental Revenues	33,417,354.27	8,789,130.07	-
340 Charges for Goods and Services	19,445,008.25	5,546,852.52	-
350 Fines and Penalties	625,841.16	623,781.66	-
360 Miscellaneous Revenues	4,774,289.44	2,313,355.25	32,655.68
Total Revenues:	104,147,867.66	45,452,533.82	1,154,177.39
Expenditures			
510 General Government	18,193,891.66	16,407,139.29	-
520 Public Safety	18,173,483.07	18,111,243.16	-
530 Utilities	7,557,455.55	-	-
540 Transportation	12,758,651.12	-	-
550 Natural and Economic Environment	5,702,890.31	3,177,790.07	209,472.18
560 Social Services	13,638,906.92	478,989.15	-
570 Culture and Recreation	1,050,531.29	915,392.17	-
Total Expenditures:	77,075,809.92	39,090,553.84	209,472.18
Excess (Deficiency) Revenue over Expenditures	27,072,057.74	6,361,979.98	944,705.21
Other Increases in Fund Resources			
397 Transfers-In	5,481,086.34	378,544.26	-
382 Immaterial Fiduciary Collection	137,893.15	44,139.25	-
389 Custodial Activities	-	-	-
393 Refunding Long-Term Debt Issued	-	-	-
381, 395, 398 Other Resources	942,269.97	8,484.75	-
Total Other Increases in Fund Resources:	6,561,249.46	431,168.26	-
Other Decreases in Fund Resources			
594-595 Capital Expenditures	7,581,748.93	1,119,331.10	-
591-593, 599 Debt Service	3,264,185.63	73,612.04	-
597 Transfers-Out	5,481,086.34	466,281.60	450,000.00
582 Non-Fiduciary Remittance for Others	86,665.76	18,035.56	-
581 Other Uses	-	-	-
Total Other Decreases in Fund Resources:	16,413,686.66	1,677,260.30	450,000.00
Increase (Decrease) in Cash and Investments	17,219,620.54	5,115,887.94	494,705.21
Ending Cash and Investments			
5083100 Restricted	40,314,151.32	1,457,065.00	1,848,056.27
5084100 Committed	1,060,741.48		
5085100 Assigned	13,800,545.93		
5089100 Unassigned	25,353,647.17	25,353,647.17	
Total Ending Cash and Investments	\$ 80,529,085.90	\$ 26,810,712.17	\$ 1,848,056.27

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		104 Auditor's O&M	105 County Road	106 Paths & Trails
Beginning Cash and Investments				
3083100	Restricted	\$ 430,988.95	\$ 9,607,493.29	\$ 288,610.43
3084100	Committed			
3085100	Assigned			
3089100	Unassigned			
388/588	Prior Period Adjustment, Net			
Revenues				
310	Taxes	-	9,567,362.94	-
320	Licenses and Permits	-	40,008.75	-
330	Intergovernmental Revenues	66,808.29	5,919,485.40	10,420.73
340	Charges for Goods and Services	64,584.93	43,616.90	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	4,543.76	837,990.51	2,622.63
Total Revenues:		135,936.98	16,408,464.50	13,043.36
Expenditures				
510	General Government	88,656.19	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	10,583,980.00	2,051.77
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		88,656.19	10,583,980.00	2,051.77
Excess (Deficiency) Revenue over Expenditures		47,280.79	5,824,484.50	10,991.59
Other Increases in Fund Resources				
397	Transfers-In	-	178,354.79	-
382	Immaterial Fiduciary Collection	-	92.90	-
389	Custodial Activities	-	-	-
393	Refunding Long-Term Debt Issued	-	-	-
381, 395, 398	Other Resources	-	861,784.02	-
Total Other Increases in Fund Resources:		-	1,040,231.71	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	3,535,326.81	-
591-593, 599	Debt Service	-	374.05	-
597	Transfers-Out	-	998,900.00	-
582	Non-Fiduciary Remittance for Others	-	77.10	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	4,534,677.96	-
Increase (Decrease) in Cash and Investments		47,280.79	2,330,038.25	10,991.59
Ending Cash and Investments				
5083100	Restricted	478,269.74	11,937,531.54	299,602.02
5084100	Committed			
5085100	Assigned			
5089100	Unassigned			
Total Ending Cash and Investments		\$ 478,269.74	\$ 11,937,531.54	\$ 299,602.02

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		109 Elections	110 Crime Victims	114 Victim Witness
Beginning Cash and Investments				
3083100	Restricted		\$ 213,226.57	\$ -
3084100	Committed	248,130.08		13,982.80
3085100	Assigned			
3089100	Unassigned			
388/588	Prior Period Adjustment, Net			
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	23,618.35
340	Charges for Goods and Services	45,986.62	66,874.36	-
350	Fines and Penalties	-	4.92	-
360	Miscellaneous Revenues	3,380.93	-	-
Total Revenues:		49,367.55	66,879.28	23,618.35
Expenditures				
510	General Government	1,621.99	91,354.11	28,951.06
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		1,621.99	91,354.11	28,951.06
Excess (Deficiency) Revenue over Expenditures		47,745.56	(24,474.83)	(5,332.71)
Other Increases in Fund Resources				
397	Transfers-In	-	-	-
382	Immaterial Fiduciary Collection	-	-	-
389	Custodial Activities	-	-	-
393	Refunding Long-Term Debt Issued	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	-	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
582	Non-Fiduciary Remittance for Others	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	-	-
Increase (Decrease) in Cash and Investments		47,745.56	(24,474.83)	(5,332.71)
Ending Cash and Investments				
5083100	Restricted		188,751.74	-
5084100	Committed	295,875.64		8,650.09
5085100	Assigned			
5089100	Unassigned			
Total Ending Cash and Investments		\$ 295,875.64	\$ 188,751.74	\$ 8,650.09

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

	117 Community Support Services	118 Abatement	120 REET & Property Tax Admin
Beginning Cash and Investments			
3083100 Restricted	\$ 1,039,014.52	\$ -	\$ 89,217.59
3084100 Committed		277,694.41	
3085100 Assigned			
3089100 Unassigned			
388/588 Prior Period Adjustment, Net			
Revenues			
310 Taxes	131,480.97	-	-
320 Licenses and Permits	-	-	-
330 Intergovernmental Revenues	8,666,495.44	-	11,201.05
340 Charges for Goods and Services	803,268.81	-	10,335.00
350 Fines and Penalties	540.49	-	-
360 Miscellaneous Revenues	911.48	4,418.59	1,425.98
Total Revenues:	9,602,697.19	4,418.59	22,962.03
Expenditures			
510 General Government	-	-	16,009.49
520 Public Safety	-	-	-
530 Utilities	-	-	-
540 Transportation	-	-	-
550 Natural and Economic Environment	-	1,278.67	-
560 Social Services	8,629,011.84	-	-
570 Culture and Recreation	-	-	-
Total Expenditures:	8,629,011.84	1,278.67	16,009.49
Excess (Deficiency) Revenue over Expenditures	973,685.35	3,139.92	6,952.54
Other Increases in Fund Resources			
397 Transfers-In	-	-	-
382 Immaterial Fiduciary Collection			
389 Custodial Activities	-	-	-
393 Refunding Long-Term Debt Issued			
381, 395, 398 Other Resources	-	-	-
Total Other Increases in Fund Resources:	-	-	-
Other Decreases in Fund Resources			
594-595 Capital Expenditures	-	-	-
591-593, 599 Debt Service	-	-	-
597 Transfers-Out	-	-	-
582 Non-Fiduciary Remittance for Others			
581 Other Uses	-	-	-
Total Other Decreases in Fund Resources:	-	-	-
Increase (Decrease) in Cash and Investments	973,685.35	3,139.92	6,952.54
Ending Cash and Investments			
5083100 Restricted	2,012,699.87	-	96,170.13
5084100 Committed		280,834.33	
5085100 Assigned			
5089100 Unassigned			
Total Ending Cash and Investments	\$ 2,012,699.87	\$ 280,834.33	\$ 96,170.13

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		134 National Forest Safety Net	135 Trial Court Improvement	Sheriff's Boating Program 141
Beginning Cash and Investments				
3083100	Restricted	\$ 5,067.65	\$ 92,323.17	\$ 155,723.06
3084100	Committed			
3085100	Assigned			
3089100	Unassigned			
388/588	Prior Period Adjustment, Net			
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	25,637.94	-	29,142.44
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	-	-	-
Total Revenues:		25,637.94	-	29,142.44
Expenditures				
510	General Government	-	3,191.92	-
520	Public Safety	6,205.90	-	50,681.41
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		6,205.90	3,191.92	50,681.41
Excess (Deficiency) Revenue over Expenditures		19,432.04	(3,191.92)	(21,538.97)
Other Increases in Fund Resources				
397	Transfers-In	-	22,652.00	-
382	Immaterial Fiduciary Collection			
389	Custodial Activities	-	-	-
393	Refunding Long-Term Debt Issued			
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	22,652.00	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	18,488.50	50,794.96
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
582	Non-Fiduciary Remittance for Others			
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	18,488.50	50,794.96
Increase (Decrease) in Cash and Investments		19,432.04	971.58	(72,333.93)
Ending Cash and Investments				
5083100	Restricted	24,499.69	93,294.75	83,389.13
5084100	Committed			
5085100	Assigned			
5089100	Unassigned			
Total Ending Cash and Investments		\$ 24,499.69	\$ 93,294.75	\$ 83,389.13

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

	Narcotics Investigations 142	Mason County Water District 145	150 Public Health
Beginning Cash and Investments			
3083100 Restricted	\$ 97,843.47		\$ 1,352,527.07
3084100 Committed			
3085100 Assigned			
3089100 Unassigned			
388/588 Prior Period Adjustment, Net			
Revenues			
310 Taxes	-		-
320 Licenses and Permits	-		488,343.00
330 Intergovernmental Revenues	-		3,173,439.34
340 Charges for Goods and Services	-		496,020.47
350 Fines and Penalties	1,514.09		-
360 Miscellaneous Revenues	549.57	176,179.37	3.00
Total Revenues:	2,063.66	176,179.37	4,157,805.81
Expenditures			
510 General Government	-		-
520 Public Safety	5,352.60		-
530 Utilities	-		-
540 Transportation	-		-
550 Natural and Economic Environment	-		-
560 Social Services	-		3,718,750.37
570 Culture and Recreation	-		-
Total Expenditures:	5,352.60	-	3,718,750.37
Excess (Deficiency) Revenue over Expenditures	(3,288.94)	176,179.37	439,055.44
Other Increases in Fund Resources			
397 Transfers-In	-		476,255.00
382 Immaterial Fiduciary Collection			
389 Custodial Activities	-		-
393 Refunding Long-Term Debt Issued			
381, 395, 398 Other Resources	-		-
Total Other Increases in Fund Resources:	-	-	476,255.00
Other Decreases in Fund Resources			
594-595 Capital Expenditures	-		39,702.00
591-593, 599 Debt Service	-		-
597 Transfers-Out	-		-
582 Non-Fiduciary Remittance for Others			
581 Other Uses	-		-
Total Other Decreases in Fund Resources:	-	-	39,702.00
Increase (Decrease) in Cash and Investments	(3,288.94)	176,179.37	875,608.44
Ending Cash and Investments			
5083100 Restricted	94,554.53	176,179.37	2,228,135.51
5084100 Committed			
5085100 Assigned			
5089100 Unassigned			
Total Ending Cash and Investments	\$ 94,554.53	\$ 176,179.37	\$ 2,228,135.51

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

	155 American Rescue Plan Act	160 Law Library	163 Lodging Tax
Beginning Cash and Investments			
3083100 Restricted	\$ 5,056,878.97	\$ 49,207.77	\$ 1,100,108.24
3084100 Committed			
3085100 Assigned			
3089100 Unassigned			
388/588 Prior Period Adjustment, Net			
Revenues			
310 Taxes		-	1,018,942.83
320 Licenses and Permits		-	-
330 Intergovernmental Revenues	6,484,450.50	-	-
340 Charges for Goods and Services		21,420.35	-
350 Fines and Penalties		-	-
360 Miscellaneous Revenues	116,538.83	-	7,490.51
Total Revenues:	6,600,989.33	21,420.35	1,026,433.34
Expenditures			
510 General Government	218,913.19	-	14,911.00
520 Public Safety	-	-	-
530 Utilities		-	-
540 Transportation		-	-
550 Natural and Economic Environment	1,807,044.96	-	435,512.27
560 Social Services	33,311.06	-	-
570 Culture and Recreation		32,453.93	-
Total Expenditures:	2,059,269.21	32,453.93	450,423.27
Excess (Deficiency) Revenue over Expenditures	4,541,720.12	(11,033.58)	576,010.07
Other Increases in Fund Resources			
397 Transfers-In		-	-
382 Immaterial Fiduciary Collection			
389 Custodial Activities		-	-
393 Refunding Long-Term Debt Issued			
381, 395, 398 Other Resources		-	-
Total Other Increases in Fund Resources:	-	-	-
Other Decreases in Fund Resources			
594-595 Capital Expenditures	191,983.68	-	-
591-593, 599 Debt Service		-	-
597 Transfers-Out	1,812,254.23	-	-
582 Non-Fiduciary Remittance for Others			
581 Other Uses		-	-
Total Other Decreases in Fund Resources:	2,004,237.91	-	-
Increase (Decrease) in Cash and Investments	2,537,482.21	(11,033.58)	576,010.07
Ending Cash and Investments			
5083100 Restricted	7,594,361.18	38,174.19	1,676,118.31
5084100 Committed			
5085100 Assigned			
5089100 Unassigned			
Total Ending Cash and Investments	<u>\$ 7,594,361.18</u>	<u>\$ 38,174.19</u>	<u>\$ 1,676,118.31</u>

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		164 Mental Health	180 Treasurer's O & M	190 Veteran's Assistance
Beginning Cash and Investments				
3083100	Restricted	\$ 1,634,062.92	\$ 56,673.08	\$ 160,786.29
3084100	Committed			
3085100	Assigned			
3089100	Unassigned			
388/588	Prior Period Adjustment, Net			
Revenues				
310	Taxes	1,464,855.02	-	142,657.54
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	68.75	-	42.92
340	Charges for Goods and Services	-	248,801.46	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	40,270.96	1,937.86	8,083.85
Total Revenues:		1,505,194.73	250,739.32	150,784.31
Expenditures				
510	General Government	-	199,639.28	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	687,280.21	-	91,564.29
570	Culture and Recreation	-	-	-
Total Expenditures:		687,280.21	199,639.28	91,564.29
Excess (Deficiency) Revenue over Expenditures		817,914.52	51,100.04	59,220.02
Other Increases in Fund Resources				
397	Transfers-In	-	-	-
382	Immaterial Fiduciary Collection			
389	Custodial Activities	-	-	-
393	Refunding Long-Term Debt Issued			
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	-	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	7.75	-	4.79
597	Transfers-Out	407,600.44	-	-
582	Non-Fiduciary Remittance for Others			
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		407,608.19	-	4.79
Increase (Decrease) in Cash and Investments		410,306.33	51,100.04	59,215.23
Ending Cash and Investments				
5083100	Restricted	2,044,369.25	107,773.12	220,001.52
5084100	Committed			
5085100	Assigned			
5089100	Unassigned			
Total Ending Cash and Investments		\$ 2,044,369.25	\$ 107,773.12	\$ 220,001.52

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

	192 Skokomish Flood Zone	194 Mason Lake Management District #2	195 Spencer Lake Management District #3
Beginning Cash and Investments			
3083100 Restricted	\$ 15,370.02	\$ 68,976.90	\$ -
3084100 Committed			7,188.67
3085100 Assigned			
3089100 Unassigned			
388/588 Prior Period Adjustment, Net			
Revenues			
310 Taxes	-	-	-
320 Licenses and Permits	-	-	-
330 Intergovernmental Revenues	-	-	-
340 Charges for Goods and Services	-	-	-
350 Fines and Penalties	-	-	-
360 Miscellaneous Revenues	-	38,963.14	15,405.98
Total Revenues:	-	38,963.14	15,405.98
Expenditures			
510 General Government	-	-	-
520 Public Safety	-	-	-
530 Utilities	-	-	-
540 Transportation	-	-	-
550 Natural and Economic Environment	4,337.71	39,274.18	14,728.74
560 Social Services	-	-	-
570 Culture and Recreation	-	-	-
Total Expenditures:	4,337.71	39,274.18	14,728.74
Excess (Deficiency) Revenue over Expenditures	(4,337.71)	(311.04)	677.24
Other Increases in Fund Resources			
397 Transfers-In	-	-	-
382 Immaterial Fiduciary Collection	-	-	-
389 Custodial Activities	-	-	-
393 Refunding Long-Term Debt Issued	-	-	-
381, 395, 398 Other Resources	-	-	-
Total Other Increases in Fund Resources:	-	-	-
Other Decreases in Fund Resources			
594-595 Capital Expenditures	-	-	-
591-593, 599 Debt Service	-	-	-
597 Transfers-Out	-	-	-
582 Non-Fiduciary Remittance for Others	-	-	-
581 Other Uses	-	-	-
Total Other Decreases in Fund Resources:	-	-	-
Increase (Decrease) in Cash and Investments	(4,337.71)	(311.04)	677.24
Ending Cash and Investments			
5083100 Restricted	11,032.31	68,665.86	-
5084100 Committed			7,865.91
5085100 Assigned			
5089100 Unassigned			
Total Ending Cash and Investments	\$ 11,032.31	\$ 68,665.86	\$ 7,865.91

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

	199 Island Lake Management District #1	205 Public Works Facility Bond	215 2013 LTGO Bond
Beginning Cash and Investments			
3083100 Restricted	\$ -	\$ -	\$ -
3084100 Committed	29,107.87		
3085100 Assigned		1,600.00	78,622.74
3089100 Unassigned			
388/588 Prior Period Adjustment, Net			
Revenues			
310 Taxes	-	-	-
320 Licenses and Permits	-	-	-
330 Intergovernmental Revenues	-	-	35,162.95
340 Charges for Goods and Services	-	-	-
350 Fines and Penalties	-	-	-
360 Miscellaneous Revenues	10,405.86	875.34	2,169.99
Total Revenues:	10,405.86	875.34	37,332.94
Expenditures			
510 General Government	-	-	300.00
520 Public Safety	-	-	-
530 Utilities	-	-	-
540 Transportation	-	-	-
550 Natural and Economic Environment	13,451.53	-	-
560 Social Services	-	-	-
570 Culture and Recreation	-	-	-
Total Expenditures:	13,451.53	-	300.00
Excess (Deficiency) Revenue over Expenditures	(3,045.67)	875.34	37,032.94
Other Increases in Fund Resources			
397 Transfers-In	-	998,900.00	97,374.60
382 Immaterial Fiduciary Collection			
389 Custodial Activities	-	-	-
393 Refunding Long-Term Debt Issued			
381, 395, 398 Other Resources	-	-	-
Total Other Increases in Fund Resources:	-	998,900.00	97,374.60
Other Decreases in Fund Resources			
594-595 Capital Expenditures	-	-	-
591-593, 599 Debt Service	-	998,500.00	133,374.60
597 Transfers-Out	-	-	-
582 Non-Fiduciary Remittance for Others			
581 Other Uses	-	-	-
Total Other Decreases in Fund Resources:	-	998,500.00	133,374.60
Increase (Decrease) in Cash and Investments	(3,045.67)	1,275.34	1,032.94
Ending Cash and Investments			
5083100 Restricted	-	-	-
5084100 Committed	26,062.20		
5085100 Assigned		2,875.34	79,655.68
5089100 Unassigned			
Total Ending Cash and Investments	\$ 26,062.20	\$ 2,875.34	\$ 79,655.68

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		250 2008 Limited Tax GO Bond	350 REET 1 Capital Improvements	351 REET 2 Capital Improvements
Beginning Cash and Investments				
3083100	Restricted	\$ -	\$ 2,010,195.44	\$ 4,230,432.40
3084100	Committed			
3085100	Assigned	13,566.85		
3089100	Unassigned			
388/588	Prior Period Adjustment, Net			
Revenues				
310	Taxes	-	1,865,393.73	1,865,393.73
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	3,227.61	31,126.94	90,373.91
Total Revenues:		3,227.61	1,896,520.67	1,955,767.64
Expenditures				
510	General Government	-	205,550.97	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	102,685.19
Total Expenditures:		-	205,550.97	102,685.19
Excess (Deficiency) Revenue over Expenditures		3,227.61	1,690,969.70	1,853,082.45
Other Increases in Fund Resources				
397	Transfers-In	275,695.28	1,310.41	-
382	Immaterial Fiduciary Collection			
389	Custodial Activities	-	-	-
393	Refunding Long-Term Debt Issued	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		275,695.28	1,310.41	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	1,077,563.84	5,274.99
591-593, 599	Debt Service	275,280.31	-	-
597	Transfers-Out	-	305,695.28	862,000.00
582	Non-Fiduciary Remittance for Others			
581	Other Uses		-	-
Total Other Decreases in Fund Resources:		275,280.31	1,383,259.12	867,274.99
Increase (Decrease) in Cash and Investments		3,642.58	309,020.99	985,807.46
Ending Cash and Investments				
5083100	Restricted	-	2,319,216.43	5,216,239.86
5084100	Committed			
5085100	Assigned	17,209.43		
5089100	Unassigned			
Total Ending Cash and Investments		<u>\$ 17,209.43</u>	<u>\$ 2,319,216.43</u>	<u>\$ 5,216,239.86</u>

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		402 Landfill	403 North Bay Sewer	411 Rustlewood Sewer
Beginning Cash and Investments				
3083100	Restricted			
3084100	Committed	\$ 443,519.60		
3085100	Assigned	2,074,205.69	1,777,042.14	133,014.34
3089100	Unassigned			
388/588	Prior Period Adjustment, Net			
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	116,003.58	-	-
340	Charges for Goods and Services	5,608,992.84	1,957,584.36	272,365.37
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	56,801.19	150,743.46	26,972.11
Total Revenues:		5,781,797.61	2,108,327.82	299,337.48
Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	5,161,676.50	1,178,440.45	359,002.43
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		5,161,676.50	1,178,440.45	359,002.43
Excess (Deficiency) Revenue over Expenditures		620,121.11	929,887.37	(59,664.95)
Other Increases in Fund Resources				
397	Transfers-In	240,000.00	-	62,000.00
382	Immaterial Fiduciary Collection	92,161.14		
389	Custodial Activities	-	-	-
393	Refunding Long-Term Debt Issued	-		-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		332,161.14	-	62,000.00
Other Decreases in Fund Resources				
594-595	Capital Expenditures	328,023.66	-	
591-593, 599	Debt Service	-	458,019.81	61,995.78
597	Transfers-Out	-	-	-
582	Non-Fiduciary Remittance for Others	58,726.20	4,872.63	1,033.61
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		386,749.86	462,892.44	63,029.39
Increase (Decrease) in Cash and Investments		565,532.39	466,994.93	(60,694.34)
Ending Cash and Investments				
5083100	Restricted			
5084100	Committed	441,453.31		
5085100	Assigned	2,641,804.37	2,244,037.07	72,320.00
5089100	Unassigned			
Total Ending Cash and Investments		\$ 3,083,257.68	\$ 2,244,037.07	\$ 72,320.00

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		412 Beards Cove Water	413 Belfair Sewer	480 Storm Drainage System Development
Beginning Cash and Investments				
3083100	Restricted			
3084100	Committed			
3085100	Assigned	819,740.37	1,194,293.65	178,820.46
3089100	Unassigned			
388/588	Prior Period Adjustment, Net			
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	66,246.52	-
340	Charges for Goods and Services	252,810.64	509,374.86	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	15,325.38	703,040.95	-
Total Revenues:		268,136.02	1,278,662.33	-
Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	155,882.41	701,988.09	465.67
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		155,882.41	701,988.09	465.67
Excess (Deficiency) Revenue over Expenditures		112,253.61	576,674.24	(465.67)
Other Increases in Fund Resources				
397	Transfers-In	-	2,750,000.00	-
382	Immaterial Fiduciary Collection			
389	Custodial Activities	-	-	-
393	Refunding Long-Term Debt Issued			
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	2,750,000.00	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures		651,429.78	-
591-593, 599	Debt Service	11,594.00	1,251,422.50	-
597	Transfers-Out	-	-	178,354.79
582	Non-Fiduciary Remittance for Others	1,142.66	1,377.75	
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		12,736.66	1,904,230.03	178,354.79
Increase (Decrease) in Cash and Investments		99,516.95	1,422,444.21	(178,820.46)
Ending Cash and Investments				
5083100	Restricted			
5084100	Committed			
5085100	Assigned	919,257.32	2,616,737.86	-
5089100	Unassigned			
Total Ending Cash and Investments		\$ 919,257.32	\$ 2,616,737.86	\$ -

Mason County, WA
C4 Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		500 Information Technology	501 Equipment Rental & Revolving	502 Unemploy- ment
Beginning Cash and Investments				
3083100	Restricted			
3084100	Committed			
3085100	Assigned	217,712.03	4,802,092.94	196,227.63
3089100	Unassigned			
388/588	Prior Period Adjustment, Net			
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	922,719.00	2,499,979.76	73,420.00
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	6,328.47	70,170.35	-
Total Revenues:		929,047.47	2,570,150.11	73,420.00
Expenditures				
510	General Government	862,561.98	-	55,091.19
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	2,172,619.35	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		862,561.98	2,172,619.35	55,091.19
Excess (Deficiency) Revenue over Expenditures		66,485.49	397,530.76	18,328.81
Other Increases in Fund Resources				
397	Transfers-In	-	-	-
382	Immaterial Fiduciary Collection	-	1,499.86	-
389	Custodial Activities	-	-	-
393	Refunding Long-Term Debt Issued	-	-	-
381, 395, 398	Other Resources	-	72,001.20	-
Total Other Increases in Fund Resources:		-	73,501.06	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	32,116.45	531,713.16	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
582	Non-Fiduciary Remittance for Others	-	1,400.25	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		32,116.45	533,113.41	-
Increase (Decrease) in Cash and Investments		34,369.04	(62,081.59)	18,328.81
Ending Cash and Investments				
5083100	Restricted			
5084100	Committed			
5085100	Assigned	252,081.07	4,740,011.35	214,556.44
5089100	Unassigned			
Total Ending Cash and Investments		\$ 252,081.07	\$ 4,740,011.35	\$ 214,556.44

Mason County, WA
C5 Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	Private Purpose Trust	Custodial	699 External Investment Pool
308	Beginning Cash and Investments	144,269,993.66	200,304.56	19,797,586.04	124,272,103.06
388/588	Prior Period Adjustment, Net	-			
310-390	Additions	528,164,604.85	495,027.70	475,178,196.13	52,491,381.02
510-590	Deductions	520,979,850.07	100,877.95	472,249,206.86	48,629,765.26
	Net Increase (Decrease) In Cash and Investments	7,184,754.78	394,149.75	2,928,989.27	3,861,615.76
508	Ending Cash and Investments	151,454,748.44	594,454.31	22,726,575.31	128,133,718.82

The accompanying notes are an integral part of this statement.

Mason County, WA
Notes to the Financial Statements
For the year ended December 31, 2022

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	\$ 347,244	\$ 307,150	\$ 40,094
Assessor	1,453,707	1,374,048	79,659
Auditor	1,893,128	1,773,773	119,355
Emergency Management	417,433	377,507	39,926
Facilities and Grounds	1,460,148	1,335,924	124,224
Human Resources	699,310	549,133	150,177
LEOFF	100,000	79,128	20,872
Clerk	1,728,716	1,162,874	565,842
Commissioners	367,704	356,726	10,978
Support Services	1,043,923	966,562	77,361
District Court	1,503,412	1,318,932	184,480
Community Services	2,976,073	2,677,111	298,962
Historical Preservation	24,000	9,383	14,617
Parks & Trails	829,236	769,125	60,111
Probation-Juvenile	2,022,773	1,793,128	229,645
Prosecutor	2,080,150	1,703,035	377,115
Child Support Enforcement	161,447	109,451	51,996
Coroner	426,914	359,840	67,074
Sheriff	15,258,022	14,193,647	1,064,375
Courthouse Security	303,755	259,109	44,646
OPD Funding	1,271,847	1,192,356	79,491
Superior Court	1,175,160	1,092,866	82,294
Family Court	2,500	-	2,500
Therapeutic Court	816,662	516,217	300,445
Murder Expenditures	50,000	7,183	42,817
Treasurer	878,239	818,810	59,429
Non-Departmental	5,665,216	5,175,224	489,992
Motor Pool	50,829	23,291	27,538
Transfers Out	466,282	466,282	-
Total General Fund	\$ 45,473,830	\$ 40,767,815	\$ 4,706,015

Fund/Department	Final		Variance
	Appropriated Amounts	Actual Expenditures	
001 General Fund	\$ 45,473,830	\$ 40,767,815	\$ 4,706,015
103 Sales Tax	660,415	659,472	943
104 Auditor's O & M	108,074	88,656	19,418
105 Roads	22,849,454	15,118,658	7,730,796
106 Paths & Trails	2,223	2,052	171
109 Election Equipment Holding	51,781	1,622	50,159
110 Crime Victims	99,426	91,354	8,072
114 Victim Witness	55,635	28,951	26,684
117 Community Support Services	9,550,242	8,629,012	921,230
118 Abatement	54,296	1,279	53,017
120 REET & Property Tax Admin	100,589	16,009	84,580
134 National Forest Safety	26,525	6,206	20,319
135 Trial Court Improvements	54,213	21,681	32,532
141 Sheiff's Boating Program	107,533	101,476	6,057
142 Narcotics Investigation Fund	7,669	5,353	2,316
145 Mason County Water District	100,000		100,000
150 Public Health	4,432,359	3,758,452	673,907
155 American Rescue Plan Act	11,541,329	4,063,507	7,477,822
160 Law Library	36,307	32,454	3,853
163 Lodging Tax	772,900	450,423	322,477
164 Mental Health	1,491,138	1,094,888	396,250
180 Treasurer's M&O Fund	395,672	199,639	196,033
190 Veterans Assitance	241,340	91,569	149,771
192 Skokomish Flood Zone	10,035,620	4,338	10,031,282
194 Mason Lake Management District	106,877	39,274	67,603
195 Spencer Lake Management District	22,017	14,729	7,288
199 Island Lake Management District	30,000	13,452	16,548
205 PW Facility Bond	998,900	998,500	400
215 LTGO 2013 Bond	134,375	133,675	700
250 LTGO 2008 Bond	275,696	275,280	416
350 REET 1 - Capital Improvements	2,399,641	1,588,810	810,831
351 REET 2 - Capital Improvements	2,103,831	969,960	1,133,871
402 Landfill	6,746,876	5,548,426	1,198,450
403 N Bay Case Inlet Utility	2,110,929	1,641,333	469,596
411 Rustlewood Sewer & Water	665,793	422,032	243,761
412 Beards Cove Water	587,258	168,619	418,639
413 Belfair Sewer	7,604,413	2,606,218	4,998,195
480 Storm Drain System Development	180,571	178,820	1,751
500 Information Technology	1,057,073	894,678	162,395
501 Equipment Rental and Revolving	3,987,878	2,705,733	1,282,145
502 Unemployment Fund	234,420	55,091	179,329
	\$137,495,118	\$93,489,496	\$44,005,622

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 \$41,374,893.

Restricted/Committed Revenue Purpose	Amount
Community Development Permit Fees	\$ 1,143,233
Sheriff Donations and Prisoner Welfare	99,276
Elections Grant Advance	136,783
Historical Preservation	77,772
Finance Public Facilities	1,848,056
Document Preservation	478,270
Road Preservation and Maintenance	12,237,134
Election Equipment Maintenance and Replacement	295,876
Facilitate testimony by the victims of crime and witnesses to crimes.	188,752
Pay costs of meeting the needs of victims of crime.	8,650
Affordable Housing	2,012,700
Used strictly for building abatement and code enforcement.	280,834
Maintenance and Development of Real Estate Excise Tax Affidavits Systems	96,170
Federal Forest Title III	24,500
Improve Trial Court	93,295
Facilitate better fiscal management of the Boating Safety Program.	83,389
Narcotic enforcement of federal, state, and local laws.	94,555
Improve water quality and shellfish protection.	176,179
Administration of public health services.	2,228,136
Grant Advance	7,594,361
Support of Law Library	38,174
Tourism Promotion, Facilities and Activities	1,676,118
Chemical Dependency or Mental Health Treatment Programs	2,044,369
Manage Tax Foreclosures	107,773
Veterans Relief	220,002
Special Assessments	113,626
Capital Projects	7,535,456
Landfill Reserve	441,453
	<u>\$ 41,374,893</u>

Note 2 – Deposits and Investments

Investments are reported at original cost. Deposits and investments by type at December 31, 2022 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	\$ (17,668,294)	\$ 22,875,990	\$ 5,207,696
L.G.I.P.	86,001,158	128,578,757	214,579,915
U.S. Government Securities	11,946,223	-	11,946,223
Certificates of Deposit	250,000	-	250,000
Total	\$ 80,529,087	\$ 151,454,747	\$ 231,983,834

It is the County’s policy to invest all temporary cash surpluses. The Bank Deposits for the County’s Own investments is presenting at a deficit because of \$17.7 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 2022 was \$9,073,021.

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 2022 was \$1.0649697 per \$1,000 on an assessed valuation of \$10,977,776,122 for a total regular levy of \$11,691,000 which included Mental Health for \$221,136 and Veteran's Relief for \$138,040. The Road District levy for 2022 was \$1.0217513 per \$1,000 on an assessed valuation of \$10,040,331,660 to a total regular levy of \$10,258,723.

Note 4 – Leases

During the year ending December 31, 2022, the County adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

The County leases two buildings for \$2,300 and \$4,018 per month under lease agreements ending 2023.

The County leases 29 copiers from Ricoh and De Lage for payments ranging from \$17 to \$296 per month under 5-year lease agreements.

The County leases approximately 85 tasers from Axon for \$66,586 per year ending 2023.

The County leases over 83 vehicles from Enterprise for the County departments for payments ranging between \$300 and \$900 under 4-year lease agreements with rotating end dates from 2024 to 2026.

The total amount paid for leases in the current reporting period was \$669,446. As of December 31, 2022, the future lease payments are as follows:

Year Ended December 31,	<u>Total</u>
2023	\$ 855,090
2024	660,654
2025	303,698
2026	98,040
Total	<u><u>\$ 1,917,482</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, 2022.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,187,183	\$ 577,345	\$ 2,764,528
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
2028-2032	4,367,650	908,031	5,275,681
2033-2037	1,343,765	483,829	1,827,594
2038-2042	1,483,150	237,243	1,720,393
2043-2047	305,622	62,396	368,018
2048-2052	102,794	15,534	118,328
2053-2057	51,813	6,157	57,970
2058-2061	13,230	339	13,569
Total	<u><u>\$ 18,737,299</u></u>	<u><u>\$ 3,894,726</u></u>	<u><u>\$ 22,632,025</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, 2022 (the measurement date of the plans), the County proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$781,030	.127421	\$3,547,869
PERS 2/3	\$1,173,858	.146117	\$(5,419,160)
PSERS 2	\$161,360	.365347	\$(261,223)
LEOFF 1	\$0	.020841	\$(597,848)
LEOFF 2	\$242,035	.116908	\$(3,177,206)

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, 2021, 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 2021, 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 2019-20 through 2021-22 Fiscal Years, the Pool's SIR was \$2,000,000 and for the Pool's 2021-22 Fiscal Year, 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 2021-22 Fiscal Year, 16 of the Pool's 24 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 for any risk-shared liability. The Pool does not contract with any third-party administrators for claims adjustment or loss prevention services.

During 2021-22, 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 2022, the Pool's SIR for cyber claims was \$250,000 from January 1 through December 31, with Mason County having no deductible.

Beginning in the 2021-22 Fiscal Year, Mason County was one of 22 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 2021-22, the WCRP's assets increased to \$57,838,522 while its liabilities also increased to \$35,879,265. The Pool's net position ended at \$22,917,345. 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, 2022, was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

SELF-INSURANCE

The County maintains insurance against most normal hazards. For general liability, the County retains the risk for general liability up to \$100,000 per claim (our "deductible" or "self-retention"). For workers compensation the County has elected to retain losses up to \$500,000 for law enforcement employees and \$350,000 for all other employees, per occurrence. Excess insurance has been purchased to cover the difference. The county risk manager and independent claims managers process claims. Based on the claims manager's estimates, the estimated ultimate loss report for general liability prepared by the Risk Pool and with management's judgment. Estimated Claims at December 31, 2022 were \$165,534 for general liability.

The General Fund is responsible for covering the settlements and loss expenses. The general fund is responsible for collecting interfund premiums from insured funds and departments, for paying claim settlements and for purchasing certain insurance policies. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses.

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 214 active plan members and 33 retired plan members as of December 31, 2022. As of December 31, 2022, the County's total OPEB liability was \$8,106,018 as calculated using the alternative measurement method. The County contributed \$2,635,172 to the plan for the year ended December 31, 2022.

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, 2022, the plan had 9 members, all retirees. As of December 31, 2022, the County's total OPEB liability was \$4,298,391 as calculated using the alternative measurement method. For the year ended December 31, 2022, the County paid \$76,643 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, 2022, 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 \$633,969.90. These investments made by the County Treasurer on behalf of the participants are involuntary participation in the County Treasurer's Investment Pool as they are required to be invested by statute.

Approximately 36% 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 \$128,133,719.29. 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 - 2022 Belfair Sewer Fund and Rustlewood Water & Sewer Fund Financial Condition

Belfair Sewer Fund #413

Several factors affected the Belfair sewer fund financial condition in 2022:

A Commerce grant was used to reduce debt by \$485,000:

- DOE Loan L0400005 paid in full, \$121,636.
- DOE Loan L1200025 paid in full, \$119,479.
- LTGO 2020A extra payment applied, \$243,885.

The remaining debt in the amount of \$4,721,901 will be paid off in 2027.

	<u>LTGO 2020A</u>	<u>LTGO 2021</u>	<u>Total</u>
2023	\$ 671,898	\$ 349,576	\$ 1,021,474
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
Total	<u>\$ 2,974,852</u>	<u>\$ 1,747,049</u>	<u>\$ 4,721,901</u>

The collection system was extended by a developer resulting in 102 new multi-family units and 4 single family ERUs. \$609,094 in connection fees were collected and the value of the system increased by \$1,308,000.

Commissioners approved construction that will further extend the same collection system and awarded a contract in the amount of \$4,231,500. Commissioners committed \$1,500,000 in ARPA for the project and the remainder is financed through a Public Works Commerce loan. The total new debt is assumed to be \$3,508,529. Loan payments will not begin until 2024 and are estimated to be \$175,426 per year assuming a 0.54% interest rate and 20-year term.

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

The Rustlewood Water and Sewer Fund rates are adjusted each year based on the April Consumer Price Index for Goods and Services per Resolution 05-09. Annual transfers in from the General Fund (typically REET 2) and grants are typically necessary to balance the budget. The Rustlewood water and sewer systems have little capacity for expansion, therefore system growth is not expected to provide economies of scale.

In 2022 Commissioners directed staff to evaluate operational, debt and future CIP costs, and report back recommended rate/revenue changes in 2023. The intent is to implement new rates in 2024 coupled with grants to pay for planned CIP projects with the end goal of improving the fund's financial condition.

Rustlewood Sewer expenditures are projected to average approximately \$440,000 per year over the next ten years. Approximately 14% of the expenditure is debt that will be retired in 2048, 17% in future capital improvements, and the remainder in O&M costs – primarily labor and professional services.

If unchanged other than the CPI adjustment, Rustlewood Sewer revenues are projected to average approximately \$350,000 per year excluding grants and REET 2. Some combination of grants, rate increases, other outside revenues, and expenditure reductions are needed to address the projected annual deficit of \$90,000.

Rustlewood Water expenditures are projected to average approximately \$280,000 per year over the next ten years. Currently there is no debt service and approximately 20% of expenditures are for planned capital improvements and 80% O&M costs. The County executed a 2022 Commerce grant in the amount of \$553,500 address water quality issues, and update/improve drinking water system reliability and safety.

Rustlewood Water revenues are projected to average approximately \$74,000 per year excluding grants or other sources if unchanged other than the annual CPI adjustment. Some combination of grants, rate increases, other outside revenues, and expenditure reductions are needed to address the projected annual deficit of \$206,000. Metered rates will be presented as part of the 2024 budget development.

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. In 2022, the County provided the Mason Housing Authority \$850 thousand in ARPA (American Rescue Plan Act) funding. \$100 thousand was for rent arrearages and \$750 thousand was for renovation of housing units.
- MACECOM – A County Commissioner sits on the Board.
- Thurston Mason Behavioral Health Organization – There is one Board member appointed by the Commissioners.