

ANNUAL REPORT CERTIFICATION

William Shore Memorial Pool District

(Official Name of Government)

2955

MCAG No.

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

For the Fiscal Year Ended 12/31/2023

GOVERNMENT INFORMATION:

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I certify 6th day of March, 2024, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures

Steven Burke (steve@sacpa.org)

**William Shore Memorial Pool District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023**

		001 General
Beginning Cash and Investments		
308	Beginning Cash and Investments	1,988,583
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	1,846,076
320	Licenses and Permits	-
330	Intergovernmental Revenues	199,595
340	Charges for Goods and Services	1,083,787
350	Fines and Penalties	-
360	Miscellaneous Revenues	81,234
Total Revenues:		3,210,692
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	2,077,367
Total Expenditures:		2,077,367
Excess (Deficiency) Revenues over Expenditures:		1,133,325
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		-
Other Decreases in Fund Resources		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	1,058,169
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		1,058,169
Increase (Decrease) in Cash and Investments:		75,156
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	480,000
50841	Committed	-
50851	Assigned	-
50891	Unassigned	1,583,739
Total Ending Cash and Investments		2,063,739

The accompanying notes are an integral part of this statement.

**William Shore Memorial Pool District
Schedule of Liabilities
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Kitsap Bond (2013A)	6/1/2023	37,799	-	37,799	-
251.11	LTGO Bond (2018LT)	12/1/1947	5,610,000	-	195,000	5,415,000
251.12	UTGO Bond (2018UT)	12/1/1947	3,500,000	-	-	3,500,000
263.96	LOCAL Loan II (2013A)	6/1/2023	59,349	-	59,349	-
	Total General Obligation Debt/Liabilities:		9,207,148	-	292,148	8,915,000
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Revenue Bond	12/1/1944	7,240,000	-	165,000	7,075,000
259.12	Paid Time Off Liabilities		24,717	5,993	-	30,710
	Total Revenue and Other (non G.O.) Debt/Liabilities:		7,264,717	5,993	165,000	7,105,710
	Total Liabilities:		16,471,865	5,993	457,148	16,020,710

Note 1 - Summary of Significant Accounting Policies

The William Shore Pool District (District) was incorporated June 9 of 2009. The District operates under the laws of the state of Washington applicable to a Municipal Corporation; is a Special Purpose local government and provides recreation activities.

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:**General Fund**

This fund is the primary operating fund of the government. It accounts for all financial resources including capital and debt expenditures.

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. Deposits and Investments

See Note 3 - *Deposits and Investments*.

D. Capital Assets

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

E. Compensated Absences

Paid Time Off (PTO) may be accumulated up to 48 days and is payable upon separation or retirement.. Payments are recognized as expenditures when paid. As of December 31, 2023, the District has \$30,710 in total PTO liability. The District pays out approximately 30%-50% of the Current liability each fiscal year.

F. Long-Term Debt

See Note 4 – *Long Term Debt*.

G. Risk Management and Risk Pool Insurance

The District is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 160 members.

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

Liability coverage is written on an occurrence basis, without deductibles [1]. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimit. The Board of Directors determines the limits and terms of coverage annually. Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimit. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimit.

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

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

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

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

H. Restricted and Committed Portion of Ending Cash and Investments

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

Restrictions and commitments of Ending Cash and Investments consist of \$480,000. This restriction is a bond reserve fund held by the owner of our Park Revenue Bond (Kitsap Bank) in an interest bearing account.

Note 2 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as Covid-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

For the operational period of 2023, no financial or operational changes occurred due to Covid-19.

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

Note 3 – Deposits and Investments

Deposits

The District's deposits and certificates of deposit are entirely 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). The PDPC (established under Chapter 39.58 of the Revised Code of Washington) constitutes a multiple financial institution collateral pool. Pledged securities under the PDPC collateral pool are held by the PDPC agent in the name of the collateral pool.

Investments

The District Commission has authorized the District Treasurer to invest in savings or time deposits in designated public depositories, obligations of the United States or its agencies, obligations of Local and State governments that are rated "A" or higher, and other limited investments. With the exceptions of certain reserve fund investments, the investment policy generally limits the maximum maturity of any

security purchased to five years. Investments are purchased through broker relationships with all securities purchased held in the District’s name at a third-party custodian.

Investment activity for the year ended December 31, 2023 was as follows:

Ending Balances (Dec 31)	
Account	Amount
County Fund Balance	\$0
Cash in Till	\$1,100
Credit Card Processing Account	\$71,813
Cash in Operating Account	\$211,326
Money Market Account	\$0
DADCO - Money Market	\$0
First Fed LPL Reserve Fund	\$1,267,166
Kitsap Bond Reserve Fund	\$480,000
Deposits in Transit	\$0
Undeposited Funds	\$32,334
Total	\$2,063,739

Of the above investments, cash and cash equivalents are protected by the Federal Deposit Insurance Corporation (FDIC) or the Public Deposit Protection Commission (PDPC). The US Agencies are guaranteed by the US government.

The table below identifies the type of investments, investment rating and maturities of the District’s investment portfolio as of December 31, 2023:

Types of Investments	Moody Rating	Less than 1 year	1-2 years
US Gov’t Securities	AAA	\$1,267,166	\$0

It is the District policy to invest all temporary cash surpluses.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the District 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 District deposits and certificates of deposit are 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 District or its agent in the government’s name.

Note 4 – Long-Term Debt

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the District and summarizes the District debt transactions for year ended December 31, 2023.

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