

**LAKE WHATCOM WATER AND SEWER DISTRICT**

Special-Purpose Financial Statement and  
Independent Accountant's Compilation Report

For the Year Ended December 31, 2024

## Independent Accountant's Compilation Report

**To the Board of Commissioners  
Lake Whatcom Water and Sewer District  
Bellingham, Washington**

Management is responsible for the accompanying special-purpose financial statement of Lake Whatcom Water and Sewer District, which comprise the statement of fund resources and uses arising from cash transactions, as of and for the year ended December 31, 2024, the related notes to the financial statement, and the supplementary information appearing on pages 12 through 17 included in the accompanying prescribed form in accordance with the Cash Basis Budgeting, Accounting, and Reporting System (BARS) as promulgated by the Washington State Auditor's Office under authority of Washington State Law. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the special-purpose financial statement or supplementary information included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on the special-purpose financial statement or supplementary information included in the accompanying prescribed form.

The special-purpose financial statement included in the accompanying prescribed form is presented in accordance with the requirements of the Washington State Auditor's Office, is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and may not be suitable for another purpose.

This report is intended solely for the information and use of the management of Lake Whatcom Water and Sewer District and is not intended to be and should not be used by anyone other than this specified party.



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*Clark Nuber P.S.*

Certified Public Accountants  
March 10, 2025

**Lake Whatcom Water and Sewer District**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2024**

		<u>401 Operations</u>
<b>Beginning Cash and Investments</b>		
308	Beginning Cash and Investments	7,601,056
388 / 588	Net Adjustments	-
<b>Revenues</b>		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	1,158,510
340	Charges for Goods and Services	9,156,102
350	Fines and Penalties	68,404
360	Miscellaneous Revenues	234,352
Total Revenues:		<u>10,617,368</u>
<b>Expenditures</b>		
510	General Government	-
520	Public Safety	-
530	Utilities	5,680,223
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>5,680,223</u>
Excess (Deficiency) Revenues over Expenditures:		<u>4,937,145</u>
<b>Other Increases in Fund Resources</b>		
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>
<b>Other Decreases in Fund Resources</b>		
594-595	Capital Expenditures	2,753,998
591-593, 599	Debt Service	865,677
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	(5,709)
Total Other Decreases in Fund Resources:		<u>3,613,966</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<u><b>1,323,179</b></u>
<b>Ending Cash and Investments</b>		
50821	Nonspendable	-
50831	Restricted	646,125
50841	Committed	1,275,000
50851	Assigned	7,003,110
50891	Unassigned	-
<b>Total Ending Cash and Investments</b>		<u><b>8,924,235</b></u>

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

## LAKE WHATCOM WATER AND SEWER DISTRICT

### Notes to the Special-Purpose Financial Statement For the Year Ended December 31, 2024

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

The Lake Whatcom Water and Sewer District (the District) was incorporated in 1968 and operates under the laws of the State of Washington applicable to a water-sewer district. The District is a special purpose government and provides water and sewer services. The District uses single-entry, cash basis accounting, which is a departure from accounting principles generally accepted in the United States of America (GAAP).

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 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.

**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:

Enterprise Fund - This fund accounts for operations that provide goods and services to the general public and is supported primarily through user charges. The purpose of the District's funds are for water and sewer service.

**Basis of Accounting and Measurement Focus** - Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid. In accordance with state law the District also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

**Cash and Investments** - It is the District's policy to invest all temporary cash surpluses. (The interest on these investments is prorated to the various funds). For further information see Note 2 - *Deposits and Investments*.

**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. The capital assets of the District are recorded as capital expenditures when purchased.

**LAKE WHATCOM WATER AND SEWER DISTRICT**

**Notes to the Special-Purpose Financial Statement  
For the Year Ended December 31, 2024**

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**Note 1 - Continued**

**Compensated Absences** - Vacation leave may be accumulated up to 80 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 1,000 hours. If an employee separates with at least ten years of service, the employee will be compensated for sick leave balances up to 1,000 hours at one-quarter of the employee's final hourly pay rate, which is paid into the employee's health reimbursement arrangement voluntary employees' beneficiary association (HRA VEBA) account. Payments are recognized as expenditures when paid.

**Liabilities** - See Note 4, Long-Term Debt. The District had no long-term leases or subscription-based information technology arrangements (SBITAs) at December 31, 2024.

**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 resolution. 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 at December 31, 2024 consists of the following:

Restricted-	
Bond reserve	\$ 646,125
Committed-	
Sewer contingency reserve	815,000
Water contingency reserve	<u>460,000</u>
	<u><u>\$ 1,921,125</u></u>

**Note 2 - Deposits and Investments**

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

	District's Own Deposits and Investments
Bank deposits	\$ 1,896,808
Local government investment pool	3,517,918
U.S. Government Securities	<u>3,509,509</u>
	<u><u>\$ 8,924,235</u></u>

It is the District's policy to invest all temporary cash surpluses. The interest on these investments is prorated to both the Water Utility Fund and the Sewer Utility Fund.

The District's long-term investment securities are managed through US Bank and invested in U.S. Treasury notes. Maturity dates range from January 2025 through June 2026 with yields ranging from 1.125 % to 4.921%.

**LAKE WHATCOM WATER AND SEWER DISTRICT**

**Notes to the Special-Purpose Financial Statement  
For the Year Ended December 31, 2024**

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**Note 2 - Continued**

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

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

**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'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 District or its agent in the government's name.

**Credit Risk** - The District's investment policy limits investments to those authorized by State of Washington statutes governing the investment of public funds. As of December 31, 2024, the District's investments with the United States Treasury were rated Aaa by Moody's Rating Service.

**Note 3 - Long-Term Liabilities**

**Debt** - The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the District and summarizes the District's debt transactions for year ended December 31, 2024.

The outstanding debt at December 31, 2024 is as follows:

	Original Amount	Interest Rate	Amount Outstanding
Refunding bonds - issued 2016	\$ 6,415,000	2.0% - 4.0%	\$ 3,775,000
DWSRF Loan DM13-952-137	2,038,938	1.5%	1,319,312
DWSRF Loan DM13-952-1136	1,244,019	1.5%	851,170
	<u>\$ 9,697,957</u>		<u>\$ 5,945,482</u>

## LAKE WHATCOM WATER AND SEWER DISTRICT

### Notes to the Special-Purpose Financial Statement For the Year Ended December 31, 2024

#### Note 3 - Continued

The annual debt service requirements to maturity for revenue debts are as follows:

For the Year Ending December 31,	Principal	Interest	Total
2025	\$ 675,412	\$ 178,282	\$ 853,694
2026	705,412	155,901	861,313
2027	720,412	134,920	855,332
2028	735,412	113,414	848,826
2029	755,412	88,633	844,045
2030 - 2034	1,962,061	208,245	2,170,306
2035 - 2037	391,361	10,692	402,053
	<u>\$ 5,945,482</u>	<u>\$ 890,087</u>	<u>\$ 6,835,569</u>

The District was approved by the U.S. Environmental Protection Agency (EPA) and the Washington State Public Works Board (PWB) to receive loans through the Drinking Water State Revolving Fund (DWSRF) program in order to improve its drinking water system.

There are \$646,125 in restricted assets of the District as of December 31, 2024, these represent sinking funds and reserve requirements as contained in the various indentures. There are a number of other limitations and restrictions contained in the various bond indentures. The District is in compliance with all significant limitations and restrictions.

In January 2024, the District executed a contract with the Washington State Public Works Board for a construction loan of \$800,000. The stated interest rate is 1.72% and the loan term is 20 years. Payments of principal and interest may be deferred for the first five years of the loan term, but interest will accrue during this period. An accrued interest-only payment is due June 1 of the 6<sup>th</sup> year of the loan term. Interest and principal payments are due on June 1 of the 7<sup>th</sup> year of the loan term and every remaining year of the loan term thereafter. This loan is to be used towards the Division 7 Reservoir Replacement Project, which includes the demolition of a one-million-gallon reservoir and the construction of two 237,900-gallon reservoirs. The loan had no outstanding balance at December 31, 2024.

**Compensated Absences** - During the year ended December 31, 2024, the following changes occurred in compensated absences:

	Beginning Balance January 1, 2024	Additions	Reductions	Ending Balance December 31, 2024
Compensated absences	\$ 65,788	\$ 81,463	\$ -	\$ 147,251

**LAKE WHATCOM WATER AND SEWER DISTRICT**

**Notes to the Special-Purpose Financial Statement  
For the Year Ended December 31, 2024**

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**Note 4 - Pension Plans**

Substantially all the District’s full-time and qualifying part-time employees participate in the Public Employees’ Retirement System (PERS) Plans 1, 2 and 3 administered by the Washington State Department of Retirement Systems (DRS) under cost-sharing, multiple-employer public employee defined-benefit and defined-contribution retirement plans (the Plans).

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 obtained by writing to:

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

Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2024 (the measurement date of the plans), the District’s proportionate share of the collective net pension liabilities (assets), as reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation Percent	Liability or (Asset)
PERS 1 UAAL	\$ 55,789	0.009320%	\$ 165,601
PERS 2/3	\$ 119,563	0.012147%	\$ (400,435)

**Note 5 - Deferred Compensation Plans**

The District offers its employees deferred compensation plans created in accordance with the Internal Revenue Code Section 457. One plan is with the State of Washington, Committee for Deferred Compensation. The District also offers a deferred compensation plan with Mission Square, formerly ICMA RC. These plans, available to eligible employees, permit them to defer a portion of their salary to future years.

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In June 2004, the State of Washington Deferred Compensation Plan assets were placed into trust for the exclusive benefit of participants and beneficiaries. Pursuant to Governmental Accounting Standards Board (GASB) Statement 32, since the District is no longer the owner of these assets, as of December 31, 1998, the plan assets and liabilities are no longer considered as property/debt of the District.



**LAKE WHATCOM WATER AND SEWER DISTRICT**

**Notes to the Special-Purpose Financial Statement  
For the Year Ended December 31, 2024**

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**Note 6 - Other Postemployment Benefits**

The District is a participating employer in the State of Washington’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 other post-employment 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.

Number of active plan members	17
Number of retired plan members	1
Contributions made	\$ 409,846
Total OPEB liability	\$ 460,938

The District had 17 active plan members and 1 retired plan member as of December 31, 2024. The District contributed \$409,846 to the plan for the year ended December 31, 2024.

**Note 7 - Risk Management**

The District is a member of the Water and Sewer Risk Management Pool (the Pool). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insurance, 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 November 1987 when water and sewer districts 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. The Pool currently has 77 members. The Pool’s fiscal year is November 1<sup>st</sup> through October 31<sup>st</sup>.

The Pool allows members to jointly purchase insurance coverage, establish a plan of self-insurance coverage, and provide related services, such as risk management and loss prevention. The Pool provides the following forms of group purchased insurance coverage for its members: All-Risk Property (including Building, Electronic Data Processing, Boiler and Machinery, and Mobile Equipment); General Liability; Automotive Liability; Excess Liability, Crime; Public Officials Liability; Employment Practices Liability, Cyber Liability, Identity Fraud Reimbursement Program and bonds of various types. Most coverages are on an “occurrence” basis.

The annual report of the Water & Sewer Risk Management Pool can be located at the following website:  
<https://www.waterandsewerriksmgmtpool.org/about>.

## LAKE WHATCOM WATER AND SEWER DISTRICT

### Notes to the Special-Purpose Financial Statement For the Year Ended December 31, 2024

#### Note 7 - Continued

Members make an annual contribution to fund the Pool. The Pool purchases insurance policies from unrelated underwriters as follows:

Type of Coverage	Member Deductible	Self-Insured Retention/Group	Excess Limits
<b>Property Loss:</b>			
Buildings and Contents	\$1,000 - \$25,000 and See (C) below	\$25,000	\$200,000,000
Flood	See (A) below	See (A) below	\$20,000,000
Earthquake	See (B) below	See (B) below	\$80,000,000 (\$50,000,000 shared by all members, \$30,000,000 dedicated to Alderwood)
Terrorism	\$1,000 - \$25,000	\$25,000 Primary layer	\$700,000,000 Primary layer
Boiler & Machinery	\$1,000 - \$350,000 depending on object	\$25,000 - \$350,000 depending on object	\$100,000,000
Auto - Physical Damage	\$1,000-\$25,000	\$25,000	
<b>Liability:</b>			
Commercial General Liability	\$1,000 - \$25,000	\$500,000	\$10,000,000
Auto Liability	\$1,000 - \$25,000	Same as above	\$10,000,000
Public Officials Errors and Omissions	\$1,000 - \$25,000	Same as above	\$10,000,000
Employment Practices	\$1,000 - \$25,000	Same as above	\$10,000,000
<b>Other:</b>			
Cyber Liability	\$50,000	N/A	\$2,000,000
Public Officials Bonds	Various	N/A	Various
Crime	\$1,000 - \$25,000	\$25,000	\$2,000,000
Identity Fraud	\$0	\$0	\$25,000
(A) \$100,000 member deductibles, per occurrence, in Flood zones except Zones A&V; \$250,000 member deductible per occurrence, in Flood Zones A&V.			
(B) Member deductible for earthquakes is 5% subject to \$100,000 minimum Earthquake Shock. The deductible will apply per occurrence on a per unit basis, as defined in the policy form, subject to the stated minimum.			
(C) Member deductible for Cyber liability is \$50,000 and where applicable the dollar amount of the business interruption loss during the policy's required 8 hour waiting period.			

## LAKE WHATCOM WATER AND SEWER DISTRICT

### Notes to the Special-Purpose Financial Statement For the Year Ended December 31, 2024

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#### Note 7 - Continued

Pool members are responsible for a deductible on each coverage and the Pool is responsible for the remainder of the self-insured retention listed in the table above except where noted as follows. The insurance carriers then cover the loss to the maximum limit of the policy. Each member is responsible for the full deductible applicable to the perils of earthquake and flood (the Pool is not responsible for any deductible or self-insured retention for earthquake and flood claims). Each member is also responsible for the full deductible applicable to the Cyber Liability, and that part of a Boiler & Machinery deductible, which exceeds \$25,000.

Upon joining, the members contract to remain in the Pool for one full policy period. Following completion of one full policy period, members must give six months' notice before terminating participation (e.g., to withdraw from the Pool on November 1, 2024, written notice must be in possession of the Pool by April 30, 2024). The Interlocal Governmental Agreement is renewed automatically each year. Even after termination of relationship with the Pool, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in process claims, for the period that the District was a signatory to the Interlocal Governmental Agreement.

The Pool is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and performs claims adjustment in consultation with various independent public adjusters.

The Pool is governed by a Board of Directors, which is comprised of one designated representative from each participating member. An Executive Committee is elected at the annual meeting and is responsible for overseeing the business affairs of the Pool and providing policy direction to the Pool's Executive Director.

#### Note 8 - Other Disclosures

**Significant Commitments or Obligations** - The District has active construction projects as of December 31, 2024. At year end, the District's projects and commitments with contractors are as follows:

	Paid to Date	Remaining Commitment
Euclid Sewer Pump Station Improvements	\$ 546,226	\$ -
Div 7 Reservoir Tree Falling Project	26,064	
Div 30 Booster and SVPS PLC & UPS Improvements	249,537	
SVWTP Front Window Removal Project		42,536
SVWTP Coil Up Door	42,536	
Div 30 Reservoir Hazard Tree Removal Project	32,797	
Division 7 Reservoir Replacement	893,629	1,790,558
Division 30 Cathodic Protection	27,795	
Midnight Court Sewer Repair	42,976	
Rocky Ridge and Lakewood Lift Station Improvements	720,792	596,420
Beaver Creek Exposed Sewer Pipes CIPP		122,400
2024 Asphalt "On-Call" Unit Price Contract	28,521	
Electrical "On-Call" Unit Price Contract	15,344	
	<u>\$ 2,626,217</u>	<u>\$ 2,551,914</u>

## LAKE WHATCOM WATER AND SEWER DISTRICT

### Notes to the Special-Purpose Financial Statement For the Year Ended December 31, 2024

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#### Note 8 - Continued

**Capital Asset Activity** - In addition to protecting against variations in the timing of operating costs and revenues, it is prudent to maintain a capital contingency amount to meet unexpected emergency capital outlays. While it would be impractical to reserve against major system-wide failures as a result of a catastrophic event, it is reasonable to identify and quantify possible failures of individual system components. The District utilizes an estimate of replacement costs to derive the targeted contingency reserve dollar amount. The District's estimated replacement costs of capital assets as of December 31, 2024, totals \$127,500,000. This investment in capital assets includes water collection and transmission lines, pumping stations and equipment, sewage collection and transmission lines, service pipes from the distribution mains to customers' meters, administration and operation facilities, and transportation and office equipment. The District currently has \$1,275,000 (approximately 1.0% of estimated replacement costs) for capital contingency, \$815,000 allocated to the sewer contingency reserve and \$460,000 allocated to the water contingency reserve as shown in Note 1.

#### Note 9 - Accounting Changes and Error Corrections

During fiscal year 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No.101, *Compensated Absences*, as required by the BARS Manual. There was no impact to cash or investment beginning balances as a result of implementing this standard.

## **SUPPLEMENTARY INFORMATION**

LAKE WHATCOM WATER AND SEWER DISTRICT

Schedule 09 - Schedule of Liabilities  
For the Year Ended December 31, 2024

ID. No.	Description	Maturity/ Payment Due Date	Beginning Balance January 1, 2024	Additions	Reductions	Ending Balance December 31, 2024
252.11	Refunding bonds - issued 2016	11/1/2035	\$ 4,255,000	\$ -	\$ 480,000	\$ 3,775,000
259.12	Compensated absences		65,788	81,463		147,251
263.92	Latecomer fees and other deferred credits		12,500		500	12,000
264.30	Pension liability		256,168		90,567	165,601
263.88	DWSRF Loan DM13-952-137	10/1/2035	1,439,250		119,938	1,319,312
263.88	DWSRF Loan DM13-952-1136	10/1/2037	916,645		65,475	851,170
264.40	OPEB liability		450,019	10,919		460,938
			<u>\$ 7,395,370</u>	<u>\$ 92,382</u>	<u>\$ 756,480</u>	<u>\$ 6,731,272</u>

**LAKE WHATCOM WATER AND SEWER DISTRICT**

**Schedule 15 - Schedule of State Financial Assistance  
For the Year Ended December 31, 2024**

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<u>State Agency Name</u>	<u>Program Title</u>	<u>Identification #</u>	<u>Amount</u>
Washington State Military Department	Hazard Mitigation Grant Program	D24-016	\$ 122,356
Washington State Military Department	Hazard Mitigation Grant Program	D24-048-Revised	5,792
Washington State Military Department	Hazard Mitigation Grant Program	D24-057	<u>699</u>
			<u><b>\$ 128,847</b></u>

LAKE WHATCOM WATER AND SEWER DISTRICT

Schedule 16 - Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2024

Assistance Listing Number	Federal Agency Name	Pass-Through Agency Name	Other Award ID Number	Amount	Pass-Through Subrecipients	Notes
97.039	Federal Emergency Management Agency	Washington State Military Department		\$ 729,441		1,2,3
97.039	Federal Emergency Management Agency	Washington State Military Department		34,750		1,2,3
97.039	Federal Emergency Management Agency	Washington State Military Department		12,588		1,2,3
				<u>\$ 776,779</u>		



## LAKE WHATCOM WATER AND SEWER DISTRICT

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

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#### **Note 1 - Basis of Accounting**

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

#### **Note 2 - Federal Indirect Cost Rate**

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

#### **Note 3 - Program Costs**

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

**LAKE WHATCOM WATER AND SEWER DISTRICT**

**Schedule 21 - Risk Management  
For the Year Ended December 31, 2024**

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Public entity risk pool members are not required to report those risks transferred to the pool. The District is a member of the Water and Sewer Risk Management Pool.

# Lake Whatcom Water and Sewer District

Schedule 01

For the year ended December 31, 2024

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
2330	401	Operations	3083100	Restricted Cash and Investments - Beginning	\$772,334
2330	401	Operations	3084100	Committed Cash and Investments - Beginning	\$1,275,000
2330	401	Operations	3085100	Assigned Cash and Investments - Beginning	\$5,553,722
2330	401	Operations	3339700	Federal Indirect Award from Department of Homeland Security	\$993,009
2330	401	Operations	3340180	State Award from Military Department	\$165,501
2330	401	Operations	3434000	Water Sales and Services	\$3,495,979
2330	401	Operations	3435000	Sewer/Reclaimed Water Sales and Services	\$5,660,123
2330	401	Operations	3590000	Non-Court Fines and Penalties	\$68,404
2330	401	Operations	3611000	Investment Earnings	\$219,360
2330	401	Operations	3614000	Other Interest	\$1,674
2330	401	Operations	3681000	Special Assessments - Capital	\$1,396
2330	401	Operations	3694000	Judgments and Settlements	\$10,562
2330	401	Operations	3699100	Miscellaneous Other Operating	\$1,360
2330	401	Operations	5340010	Water Utilities	\$1,028,907
2330	401	Operations	5340020	Water Utilities	\$425,779
2330	401	Operations	5340030	Water Utilities	\$181,941
2330	401	Operations	5340040	Water Utilities	\$1,011,419
2330	401	Operations	5350010	Sewer/Reclaimed Water Utilities	\$922,758
2330	401	Operations	5350020	Sewer/Reclaimed Water Utilities	\$378,897
2330	401	Operations	5350030	Sewer/Reclaimed Water Utilities	\$97,539
2330	401	Operations	5350040	Sewer/Reclaimed Water Utilities	\$1,632,983

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
2330	401	Operations	5083100	Restricted Cash and Investments - Ending	\$646,125
2330	401	Operations	5084100	Committed Cash and Investments - Ending	\$1,275,000
2330	401	Operations	5085100	Assigned Cash and Investments - Ending	\$7,003,110
2330	401	Operations	5913470	Debt Repayment - Water Utilities	\$185,413
2330	401	Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$480,000
2330	401	Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$35,339
2330	401	Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$164,925
2330	401	Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$1,344,486
2330	401	Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$1,409,512
2330	401	Operations	5899000	Holding and Clearing Account Transactions	(\$5,709)

**Lake Whatcom Water and Sewer District**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2024**

<b>ID. No.</b>	<b>Debt ID Title</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>							
252.11	Non-voted Revenue bonds	Refund Bonds - Issued 2016	11/1/2035	4,255,000	-	480,000	3,775,000
259.12	Compensated Absences	Compensated Absences		65,788	81,463	-	147,251
263.92	Miscellaneous Debt	Latecomer Fees & Other Deferred Credits	12/31/2099	12,500	-	500	12,000
264.30	Pension Liabilities	Pension Liability		256,168	-	90,567	165,601
264.40	OPEB Liabilities	OPEB Liability		450,019	10,919	-	460,938
263.88	Public Works Trust Fund (PWTF) Loans	DWSRF Loan DM13-952-137	10/1/2035	1,439,250	-	119,938	1,319,312
263.88	Public Works Trust Fund (PWTF) Loans	DWSRF Loan DM 13-952-136	10/1/2037	916,645	-	65,475	851,170
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>				<b>7,395,370</b>	<b>92,382</b>	<b>756,480</b>	<b>6,731,272</b>
<b>Total Liabilities:</b>				<b>7,395,370</b>	<b>92,382</b>	<b>756,480</b>	<b>6,731,272</b>

**Lake Whatcom Water and Sewer District  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2024**

<b>State Agency Name</b>	<b>Program Title</b>	<b>Identification Number</b>	<b>Total</b>
State Award from Military Department	Washington State Military Department	D24-016	122,356
State Award from Military Department	Washington State Military Department	D24-048-Revised	5,792
State Award from Military Department	Washington State Military Department	D24-057	699
<b>Sub-Total:</b>			<b>128,847</b>
<b>Total State Grants Expended:</b>			<b>128,847</b>

**Lake Whatcom Water and Sewer District  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Hazard Mitigation Grant	97.039	D24-016	729,441	-	729,441	-	1,2,3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Hazard Mitigation Grant	97.039	D24-048- Revised	34,750	-	34,750	-	1,2,3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Hazard Mitigation Grant	97.039	D24-057	12,588	-	12,588	-	1,2,3
<b>Total ALN 97.039:</b>				<b>776,779</b>	<b>-</b>	<b>776,779</b>	<b>-</b>	
<b>Total Federal Awards Expended:</b>				<b>776,779</b>	<b>-</b>	<b>776,779</b>	<b>-</b>	

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

## LAKE WHATCOM WATER AND SEWER DISTRICT

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

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#### Note 1 - Basis of Accounting

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

#### Note 2 - Federal Indirect Cost Rate

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

#### Note 3 - Program Costs

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



Lake Whatcom Water and Sewer District  
Schedule 21 Questions 1-6 (unaudited)  
For Fiscal Year Ended: 2024

Property and Liability Insurance	Health and Welfare Insurance	Unemployment Compensation Obligations	Workers Compensation Obligations	Other Risks or Obligations
Belong to a public entity risk pool	Belong to a public entity risk pool	Pay taxes to the Department of Employment Security ("Taxable")	Pay premiums to the Department of Labor and Industries	

Washington PFML Program	Entity	Government Type
Pay premiums to the State’s program for both benefits	Lake Whatcom Water and Sewer District	Water/Sewer District