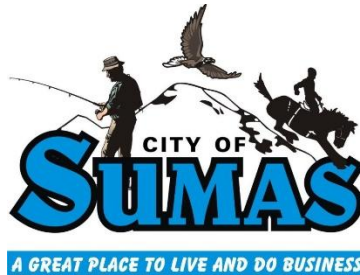


CITY OF SUMAS WASHINGTON

2024 Annual Financial Report

Prepared by:

Mollie Bost, Finance Director



2024 Legislative Body

Bruce Bosch	Mayor
Todd Daniels	Council Position #1
Rich Postma	Council Position #2
Jessica Koehler	Council Position #3
Josh Clawson	Council Position #4
Jesse Clawson	Council Position #5

Administration

Daniel DeBruin	Chief of Police
Michelle Quinn	City Clerk
Mollie Bost	Finance Director
Sunny Aulakh	Public Works Director
Jim Wright	City Attorney, Contracted
Rollin Harper	City Planner, Contracted

ANNUAL REPORT CERTIFICATION

City of Sumas

(Official Name of Government)

0793

MCAG No.

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

For the Fiscal Year Ended 12/31/2024

GOVERNMENT INFORMATION:

Official Mailing Address	<u>PO Box 9</u>
	<u>Sumas, WA 98295</u>
Official Website Address	<u>https://www.cityofsumas.com</u>
Official E-mail Address	<u>mbost@cityofsumas.com</u>
Official Phone Number	<u></u>

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title	<u>MOLLIE Bost Finance Director</u>
Contact Phone Number	<u></u>
Contact E-mail Address	<u>mbost@cityofsumas.com</u>

I certify 29th day of May, 2025, 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

MOLLIE Bost (mbost@cityofsumas.com)

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Fund Key

Statement	Reporting Fund #	Local Fund #	Fund Name
C-4	001	001	General Fund
		101	Street
		103	Cemetery
	104	104	Economic Development Fund
	105	105	Civic Improvement
	107	107	CJ Lo-Pop
	301	301	REET 1
	302	302	REET 2
	401	401	Water-Sewer
		403	Water-Sewer Hookups
	410	410	Storm Sewer Fund
	411	411	Light
		412	Light Deposit Fund
C-5	631	631	Treasurer's Trust
	632	632	Court Remittances
	634	634	Court Trust Fund
*Rolled Funds: 101 & 103 rolled into 001 403 rolled into 401 412 rolled into 411			

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

		Total for All Funds (Memo Only)	001 Current Expense	104 Ec. Dev. Fund	105 Civic Imp
Beginning Cash and Investments					
308	Beginning Cash and Investments	6,736,235	2,899,714	272,154	26,455
388 / 588	Net Adjustments	(1)	(3,943)	-	-
Revenues					
310	Taxes	1,838,685	1,768,364	-	5,183
320	Licenses and Permits	66,399	66,399	-	-
330	Intergovernmental Revenues	805,811	533,223	-	-
340	Charges for Goods and Services	4,549,074	151,629	-	-
350	Fines and Penalties	10,723	10,723	-	-
360	Miscellaneous Revenues	96,057	33,822	4,655	360
Total Revenues:		7,366,749	2,564,160	4,655	5,543
Expenditures					
510	General Government	593,049	592,769	-	-
520	Public Safety	1,546,603	1,541,278	-	-
530	Utilities	3,971,879	19,119	-	-
540	Transportation	116,703	116,703	-	-
550	Natural/Economic Environment	26,874	23,004	64	3,006
560	Social Services	664	664	-	-
570	Culture and Recreation	96,975	96,975	-	-
Total Expenditures:		6,352,747	2,390,512	64	3,006
Excess (Deficiency) Revenues over Expenditures:		1,014,002	173,648	4,591	2,537
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	189,042	162,381	14,215	-
Total Other Increases in Fund Resources:		189,042	162,381	14,215	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	666,195	369,792	-	-
591-593, 599	Debt Service	5,510	3,470	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	8,900	-	-	-
Total Other Decreases in Fund Resources:		680,605	373,262	-	-
Increase (Decrease) in Cash and Investments:		522,439	(37,233)	18,806	2,537
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	902,169	7,290	-	28,992
50841	Committed	290,960	-	290,960	-
50851	Assigned	4,088,533	874,235	-	-
50891	Unassigned	1,977,011	1,977,011	-	-
Total Ending Cash and Investments		7,258,673	2,858,536	290,960	28,992

The accompanying notes are an integral part of this statement.

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

		107 CJ Lo-Pop	301 REET I	302 REET II	401 Water-Sewer
Beginning Cash and Investments					
308	Beginning Cash and Investments	15,019	438,356	398,399	1,036,474
388 / 588	Net Adjustments	-	-	-	2,628
Revenues					
310	Taxes	-	32,569	32,569	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	3,431	-	-	223,557
340	Charges for Goods and Services	-	-	-	1,639,147
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	212	6,451	5,905	21,650
Total Revenues:		3,643	39,020	38,474	1,884,354
Expenditures					
510	General Government	-	145	135	-
520	Public Safety	5,325	-	-	-
530	Utilities	-	-	-	1,494,273
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		5,325	145	135	1,494,273
Excess (Deficiency) Revenues over Expenditures:		(1,682)	38,875	38,339	390,081
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	-	61,418	-	204,163
591-593, 599	Debt Service	-	-	-	1,360
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	61,418	-	205,523
Increase (Decrease) in Cash and Investments:		(1,682)	(22,543)	38,339	184,558
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	13,337	415,812	436,738	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	1,223,662
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		13,337	415,812	436,738	1,223,662

The accompanying notes are an integral part of this statement.

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

		410 Storm Sewer Fund	411 Light
Beginning Cash and Investments			
308	Beginning Cash and Investments	407,457	1,242,207
388 / 588	Net Adjustments	-	1,314
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	45,600
340	Charges for Goods and Services	34,256	2,724,042
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	4,205	18,797
Total Revenues:		38,461	2,788,439
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	38,240	2,420,247
540	Transportation	-	-
550	Natural/Economic Environment	-	800
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		38,240	2,421,047
Excess (Deficiency) Revenues over Expenditures:		221	367,392
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	-	12,446
Total Other Increases in Fund Resources:		-	12,446
Other Decreases in Fund Resources			
594-595	Capital Expenditures	30,694	128
591-593, 599	Debt Service	-	680
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	8,900
Total Other Decreases in Fund Resources:		30,694	9,708
Increase (Decrease) in Cash and Investments:		(30,473)	370,130
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	376,984	1,613,652
50891	Unassigned	-	-
Total Ending Cash and Investments		376,984	1,613,652

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	Custodial
308	Beginning Cash and Investments	200	200
388 & 588	Net Adjustments	-	-
310-390	Additions	37,344	37,344
510-590	Deductions	37,014	37,014
	Net Increase (Decrease) in Cash and Investments:	330	330
508	Ending Cash and Investments	530	530

The accompanying notes are an integral part of this statement.

City of Sumas

Schedule 01

For the year ended December 31, 2024

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	001	Current Expense	3083100	Restricted Cash and Investments - Beginning	\$7,290
0793	001	Current Expense	3085100	Assigned Cash and Investments - Beginning	\$499,555
0793	001	Current Expense	3089100	Unassigned Cash and Investments - Beginning	\$2,392,869
0793	001	Current Expense	3111100	Property Tax	\$765,129
0793	001	Current Expense	3131100	Local Retail Sales and Use Tax	\$461,635
0793	001	Current Expense	3131500	Special Purpose Sales and Use Tax	\$70,705
0793	001	Current Expense	3136100	Brokered Natural Gas Sales and Use Tax	\$16,197
0793	001	Current Expense	3137100	Criminal Justice Sales and Use Tax	\$46,337
0793	001	Current Expense	3138400	Border Area Jurisdictions Sales and Use Tax	\$33,848
0793	001	Current Expense	3164100	Business and Occupation Taxes on Utilities	\$158,977
0793	001	Current Expense	3164200	Business and Occupation Taxes on Utilities	\$58,147
0793	001	Current Expense	3164400	Business and Occupation Taxes on Utilities	\$70,885
0793	001	Current Expense	3164500	Business and Occupation Taxes on Utilities	\$35,932
0793	001	Current Expense	3164501	Business and Occupation Taxes on Utilities	\$24,103
0793	001	Current Expense	3164600	Business and Occupation Taxes on Utilities	\$7,612
0793	001	Current Expense	3164700	Business and Occupation Taxes on Utilities	\$18,857
0793	001	Current Expense	3213000	Police and Protective	\$25
0793	001	Current Expense	3215000	Public Utilities	\$37,331

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	001	Current Expense	3219100	Franchise Fees and Royalties	\$8,630
0793	001	Current Expense	3219900	Other Business Licenses and Permits	\$5,085
0793	001	Current Expense	3219900	Other Business Licenses and Permits	\$100
0793	001	Current Expense	3221000	Buildings, Structures and Equipment	\$14,699
0793	001	Current Expense	3223000	Animal Licenses	\$30
0793	001	Current Expense	3229000	Other Non-Business Licenses and Permits	\$499
0793	001	Current Expense	3339700	Federal Indirect Award from Department of Homeland Security	\$304,316
0793	001	Current Expense	3339706	Federal Indirect Award from Department of Homeland Security	\$14,142
0793	001	Current Expense	3340180	State Award from Military Department	\$16,906
0793	001	Current Expense	3340310	State Award from Department of Ecology	\$63,000
0793	001	Current Expense	3340420	State Award from Department of Commerce	\$40,723
0793	001	Current Expense	3340420	State Award from Department of Commerce	\$2,315
0793	001	Current Expense	3360071	Multimodal Transportation - Cities	\$2,320
0793	001	Current Expense	3360087	Motor Vehicle Fuel Tax - City Streets	\$32,037
0793	001	Current Expense	3360651	DUI and Other Criminal Justice Assistance	\$176
0793	001	Current Expense	3360694	Liquor/Beer Excise Tax	\$17,870
0793	001	Current Expense	3360695	Liquor Control Board Profits	\$13,664
0793	001	Current Expense	3360695	Liquor Control Board Profits	\$25,754
0793	001	Current Expense	3417000	Sales of Merchandise	\$318
0793	001	Current Expense	3419600	Personnel Services	\$7,359
0793	001	Current Expense	3419900	Passport and Naturalization Services	\$12,355

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	001	Current Expense	3421000	Law Enforcement Services	\$420
0793	001	Current Expense	3421002	Law Enforcement Services	\$90,097
0793	001	Current Expense	3421003	Law Enforcement Services	\$485
0793	001	Current Expense	3423300	Detention and Correction Services	\$6,028
0793	001	Current Expense	3423600	Detention and Correction Services	\$1,405
0793	001	Current Expense	3436000	Cemetery Sales and Services	\$5,500
0793	001	Current Expense	3436001	Cemetery Sales and Services	\$1,100
0793	001	Current Expense	3436100	Cemetery Sales and Services	\$110
0793	001	Current Expense	3441000	Roads/Streets Maintenance/Repair/Construction Services	\$913
0793	001	Current Expense	3451400	Diking/Drainage Services	\$3,671
0793	001	Current Expense	3458100	Zoning and Subdivision Services	\$6,630
0793	001	Current Expense	3458300	Plan Checking Services	\$7,721
0793	001	Current Expense	3473000	Activity Fees	\$3,355
0793	001	Current Expense	3473001	Activity Fees	\$1,313
0793	001	Current Expense	3473003	Activity Fees	\$75
0793	001	Current Expense	3473004	Activity Fees	\$8
0793	001	Current Expense	3479000	Other Culture and Recreation Fees	\$1,641
0793	001	Current Expense	3479001	Other Culture and Recreation Fees	\$1,125
0793	001	Current Expense	3531000	Traffic Infraction Penalties	\$7,494
0793	001	Current Expense	3552000	Driving Under Influence (DUI) Fines	\$187
0793	001	Current Expense	3558000	Other Criminal Traffic Misdemeanor Fines	\$1,120
0793	001	Current Expense	3569000	Other Criminal Non-Traffic Fines	\$1,466
0793	001	Current Expense	3569000	Other Criminal Non-Traffic Fines	\$32

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	001	Current Expense	3569000	Other Criminal Non-Traffic Fines	\$300
0793	001	Current Expense	3573300	Public Defense Cost	\$124
0793	001	Current Expense	3614000	Other Interest	\$1,910
0793	001	Current Expense	3614010	Other Interest	\$28,834
0793	001	Current Expense	3621000	Rents and Leases	\$743
0793	001	Current Expense	3625100	Rents and Leases	\$175
0793	001	Current Expense	3625145	Rents and Leases	\$1,350
0793	001	Current Expense	3694000	Judgments and Settlements	\$600
0793	001	Current Expense	3699101	Miscellaneous Other Operating	\$210
0793	104	Ec. Dev. Fund	3084100	Committed Cash and Investments - Beginning	\$272,154
0793	104	Ec. Dev. Fund	3614000	Other Interest	\$766
0793	104	Ec. Dev. Fund	3614010	Other Interest	\$3,889
0793	105	Civic Imp	3083100	Restricted Cash and Investments - Beginning	\$26,455
0793	105	Civic Imp	3133100	Hotel/Motel Sales and Use Tax	\$5,183
0793	105	Civic Imp	3614010	Other Interest	\$360
0793	107	CJ Lo-Pop	3083100	Restricted Cash and Investments - Beginning	\$15,019
0793	107	CJ Lo-Pop	3360621	Criminal Justice - Violent Crimes/Population	\$1,000
0793	107	CJ Lo-Pop	3360626	Criminal Justice - Special Programs	\$2,431
0793	107	CJ Lo-Pop	3614010	Other Interest	\$212
0793	301	REET I	3083100	Restricted Cash and Investments - Beginning	\$438,356
0793	301	REET I	3183400	REET 1 - First Quarter Percent	\$32,569
0793	301	REET I	3611100	Investment Earnings	\$1,588
0793	301	REET I	3614010	Other Interest	\$4,863
0793	302	REET II	3083100	Restricted Cash and Investments - Beginning	\$398,399
0793	302	REET II	3183500	REET 2 - Second Quarter Percent	\$32,569
0793	302	REET II	3611100	Investment Earnings	\$1,588
0793	302	REET II	3614010	Other Interest	\$4,317

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	401	Water-Sewer	3085100	Assigned Cash and Investments - Beginning	\$1,036,474
0793	401	Water-Sewer	3339700	Federal Indirect Award from Department of Homeland Security	\$73,949
0793	401	Water-Sewer	3340180	State Award from Military Department	\$4,108
0793	401	Water-Sewer	3340420	State Award from Department of Commerce	\$145,500
0793	401	Water-Sewer	3434000	Water Sales and Services	\$646,238
0793	401	Water-Sewer	3434002	Water Sales and Services	\$5,800
0793	401	Water-Sewer	3434004	Water Sales and Services	\$9,125
0793	401	Water-Sewer	3435000	Sewer/Reclaimed Water Sales and Services	\$788,365
0793	401	Water-Sewer	3435002	Sewer/Reclaimed Water Sales and Services	\$9,705
0793	401	Water-Sewer	3435031	Sewer/Reclaimed Water Sales and Services	\$175,057
0793	401	Water-Sewer	3462000	Public Health Services	\$3,508
0793	401	Water-Sewer	3462001	Public Health Services	\$1,349
0793	401	Water-Sewer	3611100	Investment Earnings	\$4,763
0793	401	Water-Sewer	3614010	Other Interest	\$16,887
0793	410	Storm Sewer Fund	3085100	Assigned Cash and Investments - Beginning	\$407,457
0793	410	Storm Sewer Fund	3431000	Storm Drainage Sales and Services	\$34,256
0793	410	Storm Sewer Fund	3614010	Other Interest	\$4,205
0793	411	Light	3085100	Assigned Cash and Investments - Beginning	\$1,242,207
0793	411	Light	3340420	State Award from Department of Commerce	\$45,600
0793	411	Light	3433010	Electricity/Gas Sales and Services	\$2,654,113
0793	411	Light	3433010	Electricity/Gas Sales and Services	\$14,016
0793	411	Light	3433010	Electricity/Gas Sales and Services	\$2,974

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	411	Light	3433010	Electricity/Gas Sales and Services	\$51,902
0793	411	Light	3452900	Other Environmental Services	\$1,037
0793	411	Light	3614010	Other Interest	\$18,797
0793	631	Treasurer's Trust	3083100	Restricted Cash and Investments - Beginning	\$200
0793	001	Current Expense	5083100	Restricted Cash and Investments - Ending	\$7,290
0793	001	Current Expense	5085100	Assigned Cash and Investments - Ending	\$874,235
0793	001	Current Expense	5089100	Unassigned Cash and Investments - Ending	\$1,977,011
0793	001	Current Expense	5116010	Legislative Activities	\$9,000
0793	001	Current Expense	5116020	Legislative Activities	\$803
0793	001	Current Expense	5116030	Legislative Activities	\$3,405
0793	001	Current Expense	5116040	Legislative Activities	\$2,227
0793	001	Current Expense	5116040	Legislative Activities	\$2,492
0793	001	Current Expense	5125110	Non-Contracted Court	\$56,413
0793	001	Current Expense	5125120	Non-Contracted Court	\$16,830
0793	001	Current Expense	5125130	Non-Contracted Court	\$2,075
0793	001	Current Expense	5125140	Non-Contracted Court	\$15,200
0793	001	Current Expense	5125140	Non-Contracted Court	\$22,835
0793	001	Current Expense	5131010	Executive Office	\$7,200
0793	001	Current Expense	5131020	Executive Office	\$602
0793	001	Current Expense	5131040	Executive Office	\$1,500
0793	001	Current Expense	5142010	Financial Services	\$61,220
0793	001	Current Expense	5142020	Financial Services	\$29,376
0793	001	Current Expense	5142030	Financial Services	\$178
0793	001	Current Expense	5142040	Financial Services	\$1,191
0793	001	Current Expense	5142040	Financial Services	\$276
0793	001	Current Expense	5142040	Financial Services	\$125
0793	001	Current Expense	5142340	Financial Services	\$50,859
0793	001	Current Expense	5142340	Financial Services	\$2,901
0793	001	Current Expense	5144040	Election Services	\$1,971
0793	001	Current Expense	5153140	Internal Legal Services - Advice	\$54,478

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	001	Current Expense	5182040	Property Management Services	\$7,302
0793	001	Current Expense	5182040	Property Management Services	\$1,819
0793	001	Current Expense	5182040	Property Management Services	\$1,631
0793	001	Current Expense	5182040	Property Management Services	\$1,735
0793	001	Current Expense	5183010	Maintenance/Security/Insurance/Janitorial Services	\$3,416
0793	001	Current Expense	5183020	Maintenance/Security/Insurance/Janitorial Services	\$307
0793	001	Current Expense	5183030	Maintenance/Security/Insurance/Janitorial Services	\$8,272
0793	001	Current Expense	5183040	Maintenance/Security/Insurance/Janitorial Services	\$835
0793	001	Current Expense	5183040	Maintenance/Security/Insurance/Janitorial Services	\$44,225
0793	001	Current Expense	5184040	Purchasing Services	\$45,902
0793	001	Current Expense	5184040	Purchasing Services	\$45
0793	001	Current Expense	5186340	General Grants, Financial Assistance and Other Distributions to Others	\$132,856
0793	001	Current Expense	5189040	Other Centralized Services	\$1,267
0793	001	Current Expense	5212010	Police Operations	\$664,751
0793	001	Current Expense	5212010	Police Operations	\$13,344
0793	001	Current Expense	5212020	Police Operations	\$299,750
0793	001	Current Expense	5212020	Police Operations	\$4,504
0793	001	Current Expense	5212030	Police Operations	\$6,093
0793	001	Current Expense	5212030	Police Operations	\$19,628
0793	001	Current Expense	5212030	Police Operations	\$8,486
0793	001	Current Expense	5212040	Police Operations	\$1,101
0793	001	Current Expense	5212040	Police Operations	\$7,765
0793	001	Current Expense	5212040	Police Operations	\$46,022

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	001	Current Expense	5212040	Police Operations	\$13,687
0793	001	Current Expense	5212040	Police Operations	\$13,139
0793	001	Current Expense	5212040	Police Operations	\$6,193
0793	001	Current Expense	5214040	Training	\$1,076
0793	001	Current Expense	5215040	Facilities	\$47,288
0793	001	Current Expense	5222040	Fire Suppression and Emergency Medical Services	\$21,507
0793	001	Current Expense	5222040	Fire Suppression and Emergency Medical Services	\$28,834
0793	001	Current Expense	5222040	Fire Suppression and Emergency Medical Services	\$184,946
0793	001	Current Expense	5233040	Probation and Parole Services	\$16,226
0793	001	Current Expense	5235040	Facilities	\$30,083
0793	001	Current Expense	5242010	Inspections, Permits, Certificates and Licenses	\$27,937
0793	001	Current Expense	5242020	Inspections, Permits, Certificates and Licenses	\$12,148
0793	001	Current Expense	5242040	Inspections, Permits, Certificates and Licenses	\$2,723
0793	001	Current Expense	5251040	Administration	\$10,933
0793	001	Current Expense	5253030	Disaster Recovery	\$28,746
0793	001	Current Expense	5256040	Disaster Preparedness	\$24,368
0793	001	Current Expense	5361010	Cemetery	\$7,642
0793	001	Current Expense	5361020	Cemetery	\$3,897
0793	001	Current Expense	5361040	Cemetery	\$391
0793	001	Current Expense	5362030	Cemetery	\$5,573
0793	001	Current Expense	5362040	Cemetery	\$10
0793	001	Current Expense	5362040	Cemetery	\$1,576
0793	001	Current Expense	5362040	Cemetery	\$26
0793	001	Current Expense	5362040	Cemetery	\$4
0793	001	Current Expense	5423010	Roadway	\$42,497
0793	001	Current Expense	5423020	Roadway	\$17,220
0793	001	Current Expense	5423040	Roadway	\$21,229
0793	001	Current Expense	5423040	Roadway	\$706

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	001	Current Expense	5426140	Sidewalks	\$806
0793	001	Current Expense	5426440	Traffic Control Devices	\$3,000
0793	001	Current Expense	5426740	Street Cleaning	\$9,347
0793	001	Current Expense	5433030	General Services	\$15,771
0793	001	Current Expense	5433040	General Services	\$4,729
0793	001	Current Expense	5433040	General Services	\$1,276
0793	001	Current Expense	5433040	General Services	\$122
0793	001	Current Expense	5586040	Planning	\$15,860
0793	001	Current Expense	5586040	Planning	\$7,144
0793	001	Current Expense	5660040	Chemical Dependency Services	\$664
0793	001	Current Expense	5725040	Facilities	\$1,619
0793	001	Current Expense	5739030	Other Cultural and Community Events	\$2,717
0793	001	Current Expense	5739030	Other Cultural and Community Events	\$1,337
0793	001	Current Expense	5755040	Multipurpose and Community Centers	\$6,686
0793	001	Current Expense	5755040	Multipurpose and Community Centers	\$4,201
0793	001	Current Expense	5764030	Ball Courts	\$530
0793	001	Current Expense	5764030	Ball Courts	\$347
0793	001	Current Expense	5764040	Ball Courts	\$174
0793	001	Current Expense	5764040	Ball Courts	\$3,944
0793	001	Current Expense	5768010	General Parks	\$23,094
0793	001	Current Expense	5768020	General Parks	\$8,960
0793	001	Current Expense	5768030	General Parks	\$21,056
0793	001	Current Expense	5768040	General Parks	\$22,310
0793	104	Ec. Dev. Fund	5084100	Committed Cash and Investments - Ending	\$290,960
0793	104	Ec. Dev. Fund	5587040	Economic Development	\$64
0793	105	Civic Imp	5083100	Restricted Cash and Investments - Ending	\$28,992
0793	105	Civic Imp	5573040	Tourism	\$3,000
0793	105	Civic Imp	5573040	Tourism	\$6
0793	107	CJ Lo-Pop	5083100	Restricted Cash and Investments - Ending	\$13,337

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	107	CJ Lo-Pop	5213040	Crime Prevention	\$5,321
0793	107	CJ Lo-Pop	5213040	Crime Prevention	\$4
0793	301	REET I	5083100	Restricted Cash and Investments - Ending	\$415,812
0793	301	REET I	5142040	Financial Services	\$145
0793	302	REET II	5083100	Restricted Cash and Investments - Ending	\$436,738
0793	302	REET II	5142040	Financial Services	\$135
0793	401	Water-Sewer	5085100	Assigned Cash and Investments - Ending	\$1,223,662
0793	401	Water-Sewer	5341010	Water Utilities	\$215,131
0793	401	Water-Sewer	5341020	Water Utilities	\$101,842
0793	401	Water-Sewer	5342040	Water Utilities	\$609
0793	401	Water-Sewer	5343430	Water Utilities	\$4,019
0793	401	Water-Sewer	5343430	Water Utilities	\$71,171
0793	401	Water-Sewer	5343430	Water Utilities	\$7,168
0793	401	Water-Sewer	5343440	Water Utilities	\$46,575
0793	401	Water-Sewer	5343440	Water Utilities	\$9,526
0793	401	Water-Sewer	5343440	Water Utilities	\$18,019
0793	401	Water-Sewer	5343440	Water Utilities	\$10,135
0793	401	Water-Sewer	5343440	Water Utilities	\$3,135
0793	401	Water-Sewer	5343440	Water Utilities	\$21,471
0793	401	Water-Sewer	5343440	Water Utilities	\$1,414
0793	401	Water-Sewer	5343440	Water Utilities	\$18,915
0793	401	Water-Sewer	5343440	Water Utilities	\$653
0793	401	Water-Sewer	5343440	Water Utilities	\$35,068
0793	401	Water-Sewer	5343440	Water Utilities	\$58,147
0793	401	Water-Sewer	5343440	Water Utilities	\$8,460
0793	401	Water-Sewer	5343440	Water Utilities	\$170
0793	401	Water-Sewer	5343440	Water Utilities	\$70
0793	401	Water-Sewer	5351010	Sewer/Reclaimed Water Utilities	\$199,112
0793	401	Water-Sewer	5351020	Sewer/Reclaimed Water Utilities	\$80,164
0793	401	Water-Sewer	5352040	Sewer/Reclaimed Water Utilities	\$126

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	401	Water-Sewer	5353530	Sewer/Reclaimed Water Utilities	\$3,903
0793	401	Water-Sewer	5353530	Sewer/Reclaimed Water Utilities	\$12,830
0793	401	Water-Sewer	5353530	Sewer/Reclaimed Water Utilities	\$149,631
0793	401	Water-Sewer	5353530	Sewer/Reclaimed Water Utilities	\$6,001
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$26,246
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$5,968
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$47,751
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$8,767
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$62
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$30,339
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$15,763
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$653
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$4,735
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$70,885
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$4,761
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$194,638
0793	401	Water-Sewer	5353540	Sewer/Reclaimed Water Utilities	\$240
0793	410	Storm Sewer Fund	5085100	Assigned Cash and Investments - Ending	\$376,984
0793	410	Storm Sewer Fund	5312040	Storm Drainage Utilities	\$20
0793	410	Storm Sewer Fund	5312040	Storm Drainage Utilities	\$66
0793	410	Storm Sewer Fund	5313840	Storm Drainage Utilities	\$31,847
0793	410	Storm Sewer Fund	5313840	Storm Drainage Utilities	\$6,307
0793	411	Light	5085100	Assigned Cash and Investments - Ending	\$1,613,652

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	411	Light	5331010	Electric/Gas Utilities	\$361,602
0793	411	Light	5331020	Electric/Gas Utilities	\$173,762
0793	411	Light	5332040	Electric/Gas Utilities	\$1,085
0793	411	Light	5332040	Electric/Gas Utilities	\$297
0793	411	Light	5333330	Electric/Gas Utilities	\$4,083
0793	411	Light	5333330	Electric/Gas Utilities	\$73,075
0793	411	Light	5333330	Electric/Gas Utilities	\$7,438
0793	411	Light	5333330	Electric/Gas Utilities	\$1,355,123
0793	411	Light	5333330	Electric/Gas Utilities	\$55
0793	411	Light	5333340	Electric/Gas Utilities	\$37,024
0793	411	Light	5333340	Electric/Gas Utilities	\$18,019
0793	411	Light	5333340	Electric/Gas Utilities	\$10,410
0793	411	Light	5333340	Electric/Gas Utilities	\$3,312
0793	411	Light	5333340	Electric/Gas Utilities	\$102,659
0793	411	Light	5333340	Electric/Gas Utilities	\$25,220
0793	411	Light	5333340	Electric/Gas Utilities	\$1,958
0793	411	Light	5333340	Electric/Gas Utilities	\$30,071
0793	411	Light	5333340	Electric/Gas Utilities	\$158,977
0793	411	Light	5333340	Electric/Gas Utilities	\$8,411
0793	411	Light	5333340	Electric/Gas Utilities	\$2,066
0793	411	Light	5336340	Electric/Gas Utilities	\$45,600
0793	411	Light	5549040	Other Environmental Services	\$800
0793	631	Treasurer's Trust	5083100	Restricted Cash and Investments - Ending	\$80
0793	634	Court Trust Fund	5083100	Restricted Cash and Investments - Ending	\$450
0793	001	Current Expense	3952000	Compensation for Loss/Impairment of Capital Assets (Cash Basis Only)	\$162,381
0793	104	Ec. Dev. Fund	3899000	Holding and Clearing Account Transactions	\$14,215
0793	401	Water-Sewer	3883000	Error Correction	\$1,314
0793	401	Water-Sewer	3883001	Error Correction	\$1,314
0793	411	Light	3821000	Refundable Deposits	\$12,446
0793	411	Light	3883000	Error Correction	\$1,314

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	631	Treasurer's Trust	3893001	Custodial Type Collections	\$712
0793	631	Treasurer's Trust	3893002	Custodial Type Collections	\$203
0793	631	Treasurer's Trust	3893003	Custodial Type Collections	\$2,165
0793	632	Court Remittances	3893000	Custodial Type Collections	\$30,019
0793	634	Court Trust Fund	3860000	Court Remittances	\$4,245
0793	001	Current Expense	5883000	Error Correction	\$3,943
0793	001	Current Expense	5912170	Debt Repayment - Law Enforcement Services	\$3,470
0793	001	Current Expense	5947660	Capital Expenditures/Expenses - Park Facilities	\$23,620
0793	001	Current Expense	5953060	Capital Expenditures/Expenses - Roadway	\$345,788
0793	001	Current Expense	5953060	Capital Expenditures/Expenses - Roadway	\$384
0793	301	REET I	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$61,418
0793	401	Water-Sewer	5913470	Debt Repayment - Water Utilities	\$680
0793	401	Water-Sewer	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$680
0793	401	Water-Sewer	5943460	Capital Expenditures/Expenses - Water Utilities	\$21,018
0793	401	Water-Sewer	5943460	Capital Expenditures/Expenses - Water Utilities	\$4,668
0793	401	Water-Sewer	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$103,273
0793	401	Water-Sewer	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$75,204

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0793	410	Storm Sewer Fund	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$30,694
0793	411	Light	5821000	Refund of Deposits	\$8,900
0793	411	Light	5913370	Debt Repayment - Electric/Gas Utilities	\$680
0793	411	Light	5943360	Capital Expenditures/Expenses - Electric/Gas Utilities	\$128
0793	631	Treasurer's Trust	5893000	Custodial Type Remittances	\$682
0793	631	Treasurer's Trust	5893000	Custodial Type Remittances	\$2,315
0793	631	Treasurer's Trust	5893000	Custodial Type Remittances	\$203
0793	632	Court Remittances	5893000	Custodial Type Remittances	\$30,019
0793	634	Court Trust Fund	5860000	Court Remittances	\$3,795

City of Sumas

Notes to Financial Statements For the Year Ended December 31, 2024

Note 1 – Summary of Significant Accounting Policies

The City of Sumas was incorporated in 1891 and operates under the laws of the state of Washington applicable to a non-charter code city operating under the mayor-council plan of government. The city is a general-purpose local government and provides public safety, street improvements, parks and recreation, building inspection, municipal court, cemetery, and general administrative services. In addition, the city owns and operates public utilities for water, sewer, storm-sewer, and electric.

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- 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, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

Governmental Fund Types:

General Fund

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

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government. The purposes of the special revenue funds include street, cemetery, economic development, civic improvement and criminal justice low population.

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. These funds account for city owned utilities of water, sewer, storm sewer and electric.

Fiduciary Fund Types:

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

Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity. These funds include the treasurer's trust, court trust, and court remittances.

B. Basis of Accounting and Measurement Focus

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

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

It is the city's policy to invest all temporary cash surpluses. The interest on these investments are prorated to the various funds. For further information see Note 4 – *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

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 1136 hours. Upon separation or retirement employees with 10 years or more of service will receive payment for unused sick leave at a rate of 25% of the balance. Comp leave may be accumulated up to 40 hours and is payable upon separation or retirement. Payments are recognized as expenditures when paid.

G. Leases and Subscription Based Information Technology Arrangements (SBITA)

The City reports SBITAs as liabilities and the City has not adopted a lease/SBITA threshold. Therefore, all leases/SBITA's are reported as a liability regardless of their dollar amount. For more information see Note 9 – SBITA.

H. Restricted and Committed Portion of Ending Cash and Investments

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

Restrictions and commitments of Ending Cash and Investments consist of:

Fund	Restricted/ Committed Ending Balance	Restricted By:
001 Current Expense	\$7,289.67	*Asset Seizure "Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies"
104 Economic Dev. Fund	\$290,959.64	Ordinance 1298
105 Civic Improvement Fund	\$28,992.01	RCW 67.28.180, RCW 67.28.1815, RCW 67.28.1816
107 CJ Lo-Pop Fund	\$13,337.33	RCW 82.14.330
301 REET I Fund	\$415,812.28	RCW 82.46.010(2)
302 REET II Fund	\$436,737.81	RCW 82.46.035(2)
631 Treasurer's Trust Fund	\$80.00	Funds held in trust pending distribution to owners

Note 2 - Accounting Changes and Error Corrections

Error Correction

During fiscal year 2024, the city identified and corrected 4 separate errors in both expenditures and revenue posting. Each error is described in detail below.

1. In February 2022, the city received a federal disaster recovery award for FEMA Disaster 4309 in the amount of \$34,501.12 as a reimbursement to the Sumas Avenue and Knueman Road Category C (streets/roadways) projects. The reimbursement had been intended to be receipted in the 101 street fund, however, there was a clerical error and a portion of the funds in the amount of \$29,572.67 were receipted into the 001 general fund in error.
2. In July 2022, the city received invoice #15882 from Western Refinery Services, for services contracted by the city to install a new trail/ walkway through the Rodeo Grounds. The invoice

total was \$86,877.92, which was partially funded by a grant from the Department of Commerce in the amount of \$73,500. The City Council approved to have \$11,372.45 to be funded by the federal ARPA award, with the city covering the remaining \$2,005.47. The portion that was intended to be expensed from the ARPA award (\$11,372.45) should have been expended from the 001 general fund, however, due to a clerical error, the entire invoice was expended from the 101 street fund in error.

3. In October 2022, the city received invoice #1135944 from Vander Griend Lumber Co. Inc, in the amount of \$8,762.75, for services contracted by the city for miscellaneous city hall improvements. The City Council had previously approved that this improvement be funded by the federal ARPA award, within the 001 general fund. Due to a clerical error, \$4,819.52 of the invoice was expended from the 401 water-sewer fund, and the 411 light fund in error.
4. In October 2023, the city received a federal disaster recovery award for FEMA Disaster 4635, in the amount of \$342,467, obligated for Van St Culvert & Headwall and Multiple Roads (City Wide) category C (street/ roadways) projects. The funds had been intended to be receipted into the 101 street fund; however, due to a clerical error a portion of the funds in the amount of \$324,442.42 were receipted into the 001 general fund in error.

The errors had no overall affect on the total (all funds) beginning cash balance; however, these errors cause the beginning cash balance in the 001 general fund to be restated by \$346,585.87 less than previously reported; in the 101 street fund to be restated by \$342,642.64 more than previously reported; in the 401 water-sewer fund to be restated by \$2,628.82 more than previously reported; and in the 411 light fund to be restated by \$1,314.41 more than previously reported.

The effect of the identified errors is shown in the table below.

FUND	12/31/2023 Cash/Investment Balance As previously reported	Error Correction	12/31/2023 Cash/Investment Balance As restated/ adjusted
001 General Fund	\$2,400,158.65	(\$346,585.87)	\$2,053,572.78
101 Street Fund*	\$482,885.19	\$342,642.64	\$825,527.83
103 Cemetery Fund*	\$16,670.04		\$16,670.04
Total General Fund (rolled funds 001, 101, & 103)	\$2,899,713.88	(\$3,943.23)	\$2,895,770.65
104 Economic Dev. Fund	\$272,153.81		\$272,153.81
105 Civic Improvement Fund	\$26,454.75		\$26,454.75
107 Criminal Justice Lo-Pop Fund	\$15,019.41		\$15,019.41
301 REET I Fund	\$438,355.72		\$438,355.72
302 REET II Fund	\$398,399.49		\$398,399.49
401 Water-Sewer Fund	\$319,127.39	\$2,628.82	\$321,756.21

403 Water-Sewer Hookups Fund*	\$717,346.70		\$717,346.70
Total Water-Sewer Fund (rolled funds 401 & 403)	\$1,036,474.09	\$2,628.82	\$1,039,102.91
410 Storm Sewer Fund	\$407,456.83		\$407,456.83
411 Light Fund	\$1,203,106.66	\$1,314.41	\$1,204,421.07
412 Light Deposit Fund*	\$39,100.00		\$39,100.00
Total Light Fund (rolled funds 411 & 412)	\$1,242,206.66	\$1,314.41	\$1,243,521.07
631 Treasurer's Trust	\$200.00		\$200.00
632 Court Remittances	\$0.00		\$0.00
634 Court Trust Fund	\$0.00		\$0.00
Total	\$6,736,434.64	\$0.00	\$6,736,434.64

*The city adopts budgets for specific managerial funds, including 101 (Street), 103 (Cemetery), 403 (Water-Sewer Hookups), and 412 (Light Deposits). These funds are not reported separately on the financial statements but were prepared with these funds accounted for in another fund: Funds 101 & 103 were rolled into Fund 001; Fund 403 was rolled into Fund 401; Fund 412 was rolled into 411.

**Ordinance 1821

Note 3 – Budget Compliance

The city adopts annual appropriated budgets for governmental and proprietary funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

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

FUND	Final Appropriated Amounts**	Actual Expenditures	Variance
001 Current Expense	\$2,440,045	\$2,639,740	(\$199,695)
101 Street Fund*	\$636,270	\$451,503	\$184,767
103 Cemetery Fund*	\$22,035	\$19,120	\$2,915
104 Economic Dev. Fund	\$75	\$64	\$11
105 Civic Improvement Fund	\$3,020	\$3,006	\$14
107 Criminal Justice Lo-Pop Fund	\$5,420	\$5,324	\$96
301 REET I Fund	\$130,120	\$111,563	\$18,557
302 REET II Fund	\$50,120	\$50,135	(\$15)
401 Water-Sewer Fund	\$1,839,825	\$1,619,583	\$220,242

403 Water-Sewer Hookups Fund*	\$155,400	\$230,211	(\$74,811)
410 Storm Sewer Fund	\$91,140	\$68,933	\$22,207
411 Light Fund	\$2,567,550	\$2,421,854	\$145,696
412 Light Deposit Fund*	\$12,500	\$8,900	\$3,600
Total	\$7,953,520	\$7,629,936	\$323,584

*The city adopts budgets for specific managerial funds, including 101 (Street), 103 (Cemetery), 403 (Water-Sewer Hookups), and 412 (Light Deposits). These funds are not reported separately on the financial statements but were prepared with these funds accounted for in another fund: Funds 101 & 103 were rolled into Fund 001; Fund 403 was rolled into Fund 401; Fund 412 was rolled into 411.

**Ordinance 1821

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

Note 4 – Deposits and Investments

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

Type of deposit or investment	City's own deposits and investments	Deposits and investments held by the City as custodian for others	Total
Bank deposits	\$6,893,780	\$43,176	\$6,936,956
Investments	\$500,000		\$500,000
Cash on Hand (petty cash)	\$600		\$600
Total	\$7,394,380	\$43,176	\$7,437,556

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the city would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The city's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the city or its agent in the government's name.

Note 5 – Other Disclosures

The City of Sumas experienced a natural disaster flood event in November 2021 that caused major damage throughout the City and to multiple city owned properties including City hall, Police

Department, Public Works offices, Senior Center/Library, Historical society building, parks, streets, vehicles, drainage systems and utilities. The City is working with FEMA for Public Assistance Grant funding and with our Insurance Risk Pool and NFIP insurance coverage to repair damages.

Note 6 – Pension Plans

A. State Sponsored Pension Plans

Substantially all city’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans: Public Employees’ Retirement System (PERS) and Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF).

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.

LEOFF Plan 2

The city 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.

At June 30, 2024 (*the measurement date of the plans*), the city proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$38,221	0.006385%	\$113,451
PERS 2/3	\$75,941	0.007715%	(\$254,331)
LEOFF 2	\$35,688	0.014566%	(\$272,784)

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

Note 7 – Property Tax

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

Property Tax Calendar	
January 1	Tax is levied and becomes an enforceable lien against the properties.

Property Tax Calendar	
February 14	Tax bills are mailed
April 30	First of two equal installment payments are due
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due

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

The city's regular levy for the year 2024 was \$2.37 per \$1,000 on an assessed valuation of \$324,890,887 for a total regular levy of \$768,670.34.

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

Note 8 – Risk Management

Property and Liability

The City of Sumas is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. As of December 31, 2024, WCIA had a total of 168 members.

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

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

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

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

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

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

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

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

Health & Wellness

The City of Sumas is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2024, 268 cities/towns/non-city entities participate and have enrollment in the AWC TrustHCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual

member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2024, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

Note 9 - Subscription Based Information Technology Arrangements (SBITA)

During the year ended December 31, 2023, the city adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the

BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

Invoice Cloud Inc.

The city makes subscription payments of \$170 per month for a cloud-based payment portal. The SBITA contract is for 3 years and auto-renews for an additional 3 years until either party cancels the subscription.

Axon Enterprise

The city makes subscription payments of \$3,470.22 annually for a cloud-based evidence management system called Evidence.com used by the police department to store, receive and send digital evidence securely. The SBITA contract is for 5 years and auto-renews for an additional 5 years until either party cancels the subscription.

The total amount paid for all SBITAs in 2024 was \$5,510.22. As of December 31, 2024, the future SBITA payments are as follows:

Year Ended December 31	Total
2025	\$4,852
2026	\$2,517
2027	\$2,133
2028	\$1,816
Total	\$11,318

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

ID. No.	Debt ID Title	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities							
259.12	Compensated Absences	Compensated Absences	12/31/2024	83,941	16,803	-	100,744
264.30	Pension Liabilities	DRS Net Pension Liabilities	12/31/2024	111,580	1,871	-	113,451
263.57	Leases, SBITA, and PPPs	Invoice Cloud: Online Payment Payment Portal - 3-year subscription w/ auto renewal every 3 years	11/30/2025	3,910	-	2,040	1,870
263.57	Leases, SBITA, and PPPs	Axon Enterprise: Evidence.com subscription	1/31/2029	12,919	-	3,470	9,449
Total Revenue and Other (non G.O.) Debt/Liabilities:				212,350	18,674	5,510	225,514
Total Liabilities:				212,350	18,674	5,510	225,514

City of Sumas
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2024

State Agency Name	Program Title	Identification Number	Total
State Award from Department of Commerce	2023 Local & Community Projects Programs	23-96643-045	40,723
State Award from Department of Commerce	Emergency Rapid Response	24-62511-002	2,314
State Award from Department of Commerce	2024 Local & Community Projects Program	24-96647-246	145,000
State Award from Department of Commerce	2023-2025 Climate Planning Grant	24-63610-164	13,000
State Award from Department of Commerce	GMA Periodic Update Grant (2025 Jurisdiction (SFY24-SFY25))	24-63335-058	50,000
State Award from Department of Commerce	Washington Families Clean Energy Credits	24-52242-015	45,600
Sub-Total:			296,637
State Award from Military Department	Public Assistance Grant	D22-102	31,180
Sub-Total:			31,180
Capital Contributions - State Grant from Department of Commerce	Emergency Rapid Response Grant Program (pass thru via Whatcom County)	23-61310-002	62,174
Sub-Total:			62,174
Total State Grants Expended:			389,991

City of Sumas
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		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Office of Financial Management)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	NEU #WA1265	130,393	-	130,393	-	1, 2, 3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4635-DR -WA	561,444	-	561,444	-	1, 2, 3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Whatcom County Sheriff's Office)	Homeland Security Grant Program	97.067	EMW-2022-SS- 00056-S01	12,000	-	12,000	-	1, 2, 3
Total Federal Awards Expended:				703,837	-	703,837	-	

The accompanying notes are an integral part of this schedule.

City of Sumas

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

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the city's financial statements. The city uses the *Cash Basis 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 city has not elected to use the 10-percent de minimis indirect cost rate allowed under the 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 city's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

City of Sumas

SCHEDULE 06 - SUMMARY OF BANK RECONCILIATION

For the Calendar Year ending December 31, 2024

FROM BANK STATEMENTS						
Bank & Investment Account name (1)	Beginning Bank Balance (2)	Deposits		Withdrawals		Ending Bank Balance (7)
		Receipts (3)	Inter-bank transfers In (4)	Disbursements (5)	Inter-bank transfers out (6)	
Peoples Bank - Money Market-5930	\$ 2,346,139.29	\$ 81,685.20	\$ 1,000,000.00	\$ -	\$ -	\$ 3,427,824.49
Peoples Bank- Treasurer's Acct-8083	\$ 4,160,246.98	\$ 7,115,827.99	\$ -	\$ 7,017,004.54	\$ 1,000,000.00	\$ 3,259,070.43
Petty Cash	\$ 600.00	\$ -	\$ -	\$ -	\$ -	\$ 600.00
US Bank- CC Clearing Acct-1297	\$ 243,042.98	\$ 258,616.01	\$ -	\$ 251,598.09	\$ -	\$ 250,060.90
US Bank- Safekeeping-0028	\$ 500,000.00	\$ 250,000.00	\$ -	\$ 250,000.00	\$ -	\$ 500,000.00
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Totals	\$ 7,250,029.25	\$ 7,706,129.20	\$ 1,000,000.00	\$ 7,518,602.63	\$ 1,000,000.00	\$ 7,437,555.82

Check Figure

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RECONCILING ITEMS					
Beginning Deposits in Transit (8)	\$ 4,041	\$ (4,041)			
Year-end Deposits in Transit (9)		\$ 4,116			\$ 4,116
Beginning Outstanding & Open Period Items (10)	\$ (517,635)		\$ (517,635)		
Year-end Outstanding & Open Period Items (11)			\$ 182,468.14		\$ (182,468)
NSF Checks (12)		\$ (935)	\$ (935)		
Cancellation of unredeemed checks/warrants (13)		+			
Interfund transactions (14)		\$ 399,725	\$ 399,725		
Netted Transactions (15)		\$ -	\$ -		
Authorized balance of revolving, petty cash and change funds (16)	\$ -				\$ -
Other Reconciling Items, net (17)	\$ -	\$ (250,882)	\$ (250,882)		
Reconciling Items Totals	\$ (513,594.61)	\$ 147,984	\$ (187,259)		\$ (178,352)

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FROM GENERAL LEDGER					
	Beginning Cash & Investment Balance (19)	Revenues & Other Increases (20)		Expenditures & Other Decreases (21)	Ending Cash & Investment Balance (22)
General Ledger Totals (18)	\$ 6,736,435	\$ 7,854,113		\$ 7,331,344	\$ 7,259,204
Unreconciled Variance (23)	\$ -	\$ 0		\$ 0	\$ (0)

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