

ANNUAL REPORT CERTIFICATION

Monroe Transportation Benefit District
(Official Name of Government)

3135
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 806 West Main Street
Monroe, WA 98272

Official Website Address www.monroewa.gov

Official E-mail Address jelsom@monroewa.gov

Official Phone Number _____

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title JULIANA ELSOM Finance Director

Contact Phone Number _____

Contact E-mail Address jelsom@monroewa.gov

I certify 30th 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

JULIANA ELSOM (jelsom@monroewa.gov)

**Monroe Transportation Benefit District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2024**

		001 General Fund
Beginning Cash and Investments		
308	Beginning Cash and Investments	1,562,329
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	1,554,907
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	-
350	Fines and Penalties	-
360	Miscellaneous Revenues	53,143
Total Revenues:		1,608,050
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	1,699,759
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		1,699,759
Excess (Deficiency) Revenues over Expenditures:		(91,709)
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		-
Other Decreases in Fund Resources		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		-
Increase (Decrease) in Cash and Investments:		(91,709)
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	1,470,620
50841	Committed	-
50851	Assigned	-
50891	Unassigned	-
Total Ending Cash and Investments		1,470,620

The accompanying notes are an integral part of this statement.

Monroe Transportation Benefit District
Notes to the Financial Statements
For the year ended December 31, 2024

Note 1 - Summary of Significant Accounting Policies

The Monroe Transportation Benefit District was formed in 2012 and operates under the laws of the state of Washington applicable to a special benefit district. The district is a special purpose local government and provides transportation improvement projects.

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- 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, if applicable.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The district uses only one fund type:

GOVERNMENTAL FUND TYPE:

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.

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 district also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Restricted and Committed Portion of Ending Cash and Investments

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

Restrictions and commitments of Ending Cash and Investments consist of the following:

- \$1,470,620 for road preservation and road capital projects are detailed in the Transportation Benefit District enacting ordinance and subsequent public vote.

Note 2 – Budget Compliance

The district passed Resolution No. 2023/002, adopting the annual budget for its general fund. This budget is appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for this fund lapse at the fiscal year end.

The annual appropriated budget was adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budget were as follows:

Fund	Final Appropriated Amount	Actual Expenditures	Variance
General Fund	\$3,437,692	\$1,699,759	\$1,737,933

Note 3 – Risk Management

The Monroe Transportation Benefit District is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 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. While the liability program assumes no liability deductibles apply, claims deductible levels of \$25,000, \$50,000, \$100,000, and \$250,000, are potential coverage options for members that may at the sole discretion of WCIA be extended to members. The Monroe Transportation Benefit District carries a \$25,000 per claim deductible. 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.

Further information on the WCIA can be obtained in writing to Washington Cities Insurance Authority, PO Box 88030, Tukwila, WA 98138.

Note 4 – Deposits and Investments

It is the district's policy to invest all temporary cash surpluses. The interest on these investments support the district's operations.

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

<u>Type of Investment</u>	District's Investments Held by City of Monroe	Total
Bank Deposits	\$ 100,808	\$ 100,808
LGIP	477,256	477,256
U.S. Government Securities	<u>892,556</u>	<u>892,556</u>
Total	<u>\$1,470,620</u>	<u>\$1,470,620</u>

Investments in the State Local Government Investment Pool (LGIP)

The district's money is invested by the City of Monroe. The City 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, the oversight is provided by the Washington State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the 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 are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by Washington Public Deposit Protection Commission (PDPC).

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

Note 5 – Other Disclosures

In 2012 the Monroe City Council adopted an ordinance to create a Transportation Benefit District (TBD), with the same boundaries as the city limits. Per the ordinance, funding sources for this district can only be created through a vote of the citizens of Monroe, regardless of the type of revenue source. The board is comprised of whoever are the current residing city council members. In 2014 the citizens voted to impose a 0.2% sales tax to fund street related projects. The initial ten-year sales tax levy commenced January 1, 2015 and will end on December 31, 2024. In November 2023, the City of Monroe voters approved an additional ten-year collection period for the 0.2% sales tax to commence on January 1, 2025. A total of \$1,554,907 in sales tax revenue was collected by the district in 2024.

The City of Monroe reports the TBD as an agency fund in their financial statements. The TBD transfers funds to the City of Monroe as needed, and as budgeted, and construction project expenditures are reported in the City of Monroe's Street Capital Improvement Projects Fund. As such, the TBD does not have any employees or long term liabilities.

Monroe Transportation Benefit District

Schedule 01

For the year ended December 31, 2024

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
3135	001	General Fund	3083100	Restricted Cash and Investments - Beginning	\$1,562,329
3135	001	General Fund	3132100	Public Transportation Systems Sales and Use Tax	\$1,554,907
3135	001	General Fund	3611100	Investment Earnings	\$53,143
3135	001	General Fund	5083100	Restricted Cash and Investments - Ending	\$1,470,620
3135	001	General Fund	5423040	Roadway	\$1,695,837
3135	001	General Fund	5433040	General Services	\$1,422
3135	001	General Fund	5433040	General Services	\$2,500

Monroe Transportation Benefit 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	Not applicable – no such benefits offered	Not applicable – no employees	Not applicable – no employees	

Washington PFML Program	Entity	Government Type
Not Applicable – No Employees	Monroe Transportation Benefit District	Transportation Benefit District

Monroe Transportation Benefit District
Schedule 22 - Audit Assessment Questionnaire (unaudited)
For Fiscal Year ended December 31, 2024

Reference	#	Question	Answer	Explanation
-----------	---	----------	--------	-------------

INSTRUCTIONS FOR PREPARER!!!IMPORTANT!! Click the "SAVE" button at the bottom periodically as you complete the questions below. Be sure to save before refreshing the page.

The Schedule 22 questions can be found below and are categorized based on the type of operation each question is related to. Click the category title to expand or collapse that category of questions.

Import Prior Year Responses: responses to specific questions from the prior year annual report may be imported by clicking the "Import Prior Year Responses" button below. NOTE: this will not import ALL responses from the prior year, it is only allowable for certain questions.

Please review the imported responses to ensure they are still accurate. If needed, you can update the responses that were imported from the prior year.

CURRENT OPERATIONS

1	Please check all boxes that occurred during the fiscal year. If none of these events occurred, please check the box for "none".	None
---	---	------

SIGNIFICANT DISCLOSURES

4	Is the government currently involved in any lawsuits? We may be requesting an update on the status of legal matters during the audit.	No
---	---	----

TBD/EDC/IDC SPECIFIC QUESTIONS

Reference	#	Question	Answer	Explanation
<i>Informational</i>	5	What transportation improvement projects may be funded by the government per the government's plan or establishing ordinance?	Any projects related to the City of Monroe's transportation system, including but not limited to road repairs, repavement, reconstruction, sidewalks, trails, etc.	
<i>Informational</i>	6	Are all revenues received by the government immediately transferred to the creating government?	No	City of Monroe requests reimbursements after the transportation project is executed by them.
<i>RCW 36.73.170</i>	7	Does the establishing ordinance give a date when the government will terminate operations? If yes, when?	No	
<i>Best Practice</i>	8	Are all government operations accounted for in the creating government's general ledger, and are operations subject to the same processes and controls over the creating government's transactions?	Yes	
	9	How is the government accounted for on the creating government's financial statements?	As a fiduciary fund. Fund 643	
<i>Informational</i>	10	Does the government have an original financing plan and material changes policy?	Yes	

REQUIRED ATTACHMENTS

<i>Informational</i>	11	Meeting Minutes - Attach the meeting minutes and resolutions for all governing body meetings held during the reporting year.	See Web Page	Minutes and agenda packets are available at www.monroewa.gov/government/agendas and minutes
----------------------	----	--	--------------	--

Reference	#	Question	Answer	Explanation
	12	Cash Balance Summary - Attach a copy of the year -end County Treasurer (or other fiscal agent) report (s) inclusive of all year-end cash and investment balances. If the government holds funds outside of the County, please upload the first and last bank statements of the year, inclusive of all cash and investment balances.	Attach	Attachments Cash FY 2024 TBD F643.pdf
	13	Detailed Revenue by Source - Attach a copy of the County Treasurer's Revenue Report that shows total receipts for the reporting year by revenue source. If the County does not provide this report, please upload comparable accounting records to substantiate revenue activity and/or all bank statements for the year that comprise the government's financial statements.	Attach	Attachments Detailed Trial Balance - Revenue.pdf
	14	Detailed Expenditure List - Attach warrant registers, payroll registers, check registers and/or petty cash log detailing all expenditures made during the year. This includes those expenditures paid by the County on a government's behalf due to Treasurer responsibilities.	Attach	Attachments Detailed Trial Balance - Expenses.pdf
<i>Informational</i>	15	Cash Receipting Policy - Attach a detailed description of the government's invoicing, cash and check receiving and deposit process. The description should include name of positions completing tasks in the process and all reconciliations and reviews performed. Include a copy of your written Cash and Check Receipting Policy or procedure if you have one. This request applies to all governments that invoice for a service (including third party billing services) or receive funds other than at the county treasurer (including charges for services or goods, fees, donations, grants, etc.).	Not Applicable	

Reference	#	Question	Answer	Explanation
<i>Informational</i>	16	<p>Elected Official List - Click the "ADD ROW" button to add the applicable number of rows for each governing board member. If the governing board exceeds 5 members, please include the 3-top-ranking Board officers (e.g. chair/president, treasurer, etc.). Note: (*) mailing address is an optional field but should be provided for at least one board member.</p>		
		Governing Board Member Name	Kevin Hanford	
		Board Member Spouse Name	Julie Hanford	
		Business Interest(s)	None	
		Phone Number	3607947400	
		Email Address	khanford@monroewa.gov	
		Mailing Address*	806 W Main Street Monroe, WA 98272	
		Governing Board Member Name	Heather Fulcher	
		Board Member Spouse Name	N/A	
		Business Interest(s)	None	
		Phone Number	3607947400	
		Email Address	hfulcher@monroewa.gov	
		Mailing Address*	806 W Main Street Monroe, WA 98272	
		Governing Board Member Name	Kirk Scarboro	
		Board Member Spouse Name	Beverly Scarboro	
		Business Interest(s)	None	

Reference	#	Question	Answer	Explanation
		Phone Number	3607947400	
		Email Address	kscarboro@monroewa.gov	
		Mailing Address*	806 W Main Street Monroe, WA 98272	
		Governing Board Member Name	Tami Beaumont	
		Board Member Spouse Name	N/A	
		Business Interest(s)	None	
		Phone Number	3607947400	
		Email Address	tbeaumont@monroewa.gov	
		Mailing Address*	806 W Main Street Monroe, WA 98272	
		Governing Board Member Name	Kyle Fisher	
		Board Member Spouse Name	Vicki Fisher	
		Business Interest(s)	None	
		Phone Number	3607947400	
		Email Address	kfisher@monroewa.gov	
		Mailing Address*	806 W Main Street Monroe, WA 98272	
		Governing Board Member Name	Jason Gamble	
		Board Member Spouse Name	Elizabeth Gamble	
		Business Interest(s)	None	

Reference	#	Question	Answer	Explanation
		Phone Number	3607947400	
		Email Address	jgamble@monroewa.gov	
		Mailing Address*	806 W Main Street Monroe, WA 98272	
		Governing Board Member Name	Jacob Walker	
		Board Member Spouse Name	not sure	
		Business Interest(s)	None	
		Phone Number	3607947400	
		Email Address	jwalker@monroewa.gov	
		Mailing Address*	806 W Main Street Monroe, WA 98272	
<i>Preparer</i>	17	<p>Please include the below information in the text box for the local government personnel who completed the annual report.</p> <p>Full name, role (e.g., Secretary, Board Member, etc.) Telephone number E-mail address</p>	<p>Juliana Elsom, Finance Director City of Monroe, WA 360-913-5722 Jelsom@Monroewa.gov</p>	