



Office of the Washington State Auditor  
Pat McCarthy

## Financial Statements Audit Report

# South Whidbey Parks and Recreation District

For the period January 1, 2020 through December 31, 2022

*Published April 22, 2024*

Report No. 1034593



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**Office of the Washington State Auditor  
Pat McCarthy**

April 22, 2024

Board of Commissioners  
South Whidbey Parks and Recreation District  
Langley, Washington

**Report on Financial Statements**

Please find attached our report on the South Whidbey Parks and Recreation District's financial statements.

We are issuing this report in order to provide information on the District's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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## TABLE OF CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	4
Independent Auditor's Report on the Financial Statements .....	7
Financial Section .....	11
About the State Auditor's Office .....	44

## INDEPENDENT AUDITOR'S REPORT

### Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

#### **South Whidbey Parks and Recreation District January 1, 2020 through December 31, 2022**

Board of Commissioners  
South Whidbey Parks and Recreation District  
Langley, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the South Whidbey Parks and Recreation District, as of and for the years ended December 31, 2022, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated April 17, 2024.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

April 17, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **South Whidbey Parks and Recreation District January 1, 2020 through December 31, 2022**

Board of Commissioners  
South Whidbey Parks and Recreation District  
Langley, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of the South Whidbey Parks and Recreation District, as of and for the years ended December 31, 2022, 2021 and 2020, and the related notes to the financial statements, as listed in the financial section of our report.

### **Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the District has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the South Whidbey Parks and Recreation District, and its changes in cash and investments, for the years ended December 31, 2022, 2021 and 2020, on the basis of accounting described in Note 1.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the South Whidbey Parks and Recreation District, as of December 31, 2022, 2021 and 2020, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

## **Matter Giving Rise to Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the District in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS Manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other

records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2024 on our consideration of the District's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

April 17, 2024

## **FINANCIAL SECTION**

### **South Whidbey Parks and Recreation District January 1, 2020 through December 31, 2022**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2022

Fund Resources and Uses Arising from Cash Transactions – 2021

Fund Resources and Uses Arising from Cash Transactions – 2020

Notes to Financial Statements – 2022

Notes to Financial Statements – 2021

Notes to Financial Statements – 2020

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2022

Schedule of Liabilities – 2021

Schedule of Liabilities – 2020

**South Whidbey Parks and Recreation District**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General</b>	<b>201 Bond</b>	<b>301 Capital</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	1,154,563	705,894	38,179	410,490
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,184,132	985,051	199,081	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	6,685	-	-	6,685
340	Charges for Goods and Services	183,651	183,651	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	16,902	15,282	-	1,620
Total Revenues:		1,391,370	1,183,984	199,081	8,305
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	1,081,316	1,080,806	-	510
Total Expenditures:		1,081,316	1,080,806	-	510
Excess (Deficiency) Revenues over Expenditures:		310,054	103,178	199,081	7,795
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	158,012	1,742	156,270	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		158,012	1,742	156,270	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	428,281	74,994	353,287	-
597	Transfers-Out	158,012	-	-	158,012
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		586,293	74,994	353,287	158,012
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(118,227)</b>	<b>29,926</b>	<b>2,064</b>	<b>(150,217)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	40,243	-	40,243	-
50841	Committed	406,933	342,799	-	64,134
50851	Assigned	196,140	-	-	196,140
50891	Unassigned	393,020	393,020	-	-
<b>Total Ending Cash and Investments</b>		<b>1,036,336</b>	<b>735,819</b>	<b>40,243</b>	<b>260,274</b>

The accompanying notes are an integral part of this statement.

**South Whidbey Parks and Recreation District**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General</b>	<b>201 Bond</b>	<b>301 Capital</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	1,116,104	663,794	48,420	403,890
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,159,043	967,992	191,051	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	20,138	-	-	20,138
340	Charges for Goods and Services	137,991	137,991	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	9,048	8,042	-	1,006
Total Revenues:		1,326,220	1,114,025	191,051	21,144
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	976,483	968,389	-	8,094
Total Expenditures:		976,483	968,389	-	8,094
Excess (Deficiency) Revenues over Expenditures:		349,737	145,636	191,051	13,050
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	6,450	6,450	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		6,450	6,450	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	18,588	18,588	-	-
591-593, 599	Debt Service	292,690	91,398	201,292	-
597	Transfers-Out	6,450	-	-	6,450
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		317,728	109,986	201,292	6,450
<b>Increase (Decrease) in Cash and Investments:</b>		<b>38,459</b>	<b>42,100</b>	<b>(10,241)</b>	<b>6,600</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	38,179	-	38,179	-
50841	Committed	479,891	266,051	-	213,840
50851	Assigned	196,650	-	-	196,650
50891	Unassigned	439,843	439,843	-	-
<b>Total Ending Cash and Investments</b>		<b>1,154,563</b>	<b>705,894</b>	<b>38,179</b>	<b>410,490</b>

The accompanying notes are an integral part of this statement.

**South Whidbey Parks and Recreation District**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2020**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General</b>	<b>201 Bond</b>	<b>301 Capital</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	906,169	645,077	49,194	211,898
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,141,356	941,788	199,568	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	456,023	456,023	-	-
340	Charges for Goods and Services	49,900	49,900	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	12,853	6,088	-	6,765
Total Revenues:		1,660,132	1,453,799	199,568	6,765
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	860,747	860,747	-	-
Total Expenditures:		860,747	860,747	-	-
Excess (Deficiency) Revenues over Expenditures:		799,385	593,052	199,568	6,765
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	379,000	-	379,000	-
397	Transfers-In	374,351	-	-	374,351
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		753,351	-	379,000	374,351
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	652,122	473,349	-	178,773
591-593, 599	Debt Service	316,328	90,635	215,342	10,351
597	Transfers-Out	374,351	10,351	364,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,342,801	574,335	579,342	189,124
<b>Increase (Decrease) in Cash and Investments:</b>		<b>209,935</b>	<b>18,717</b>	<b>(774)</b>	<b>191,992</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	48,420	-	48,420	-
50841	Committed	459,996	259,913	-	200,083
50851	Assigned	203,807	-	-	203,807
50891	Unassigned	403,881	403,881	-	-
<b>Total Ending Cash and Investments</b>		<b>1,116,104</b>	<b>663,794</b>	<b>48,420</b>	<b>403,890</b>

The accompanying notes are an integral part of this statement.

# SOUTH WHIDBEY PARKS AND RECREATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The South Whidbey Parks and Recreation District was formed by a special election certified in November of 1983 and operates under the laws of the State of Washington applicable to a park district. The South Whidbey Parks and Recreation District is a special purpose local government and provides for the management, control, improvement, maintenance and acquisition of parks, and recreational facilities.

The South Whidbey Parks and Recreation District (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.
- Supplementary information required by GAAP is not presented.

#### **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 (Maintenance and Operations 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. An internal reserve fund is rolled up into the general fund for reporting purposes.

##### **Debt Service Funds (Bond Redemption Fund)**

These funds account for the financial resources that are restricted, committed or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

FIDUCIARY FUND TYPES:

Custodial Funds

These funds are used to account for assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

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

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

C. Cash and Investments

See Note 4 – *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of ten years. Capital assets are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 400 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 480 hours. Upon death or retirement employees receive between 10%-40% payment for unused sick leave, depending on months of service. Payments are recognized as expenditures when paid.

The total value of accrued vacation and eligible sick leave hours for employees is \$71,620.

F. Long Term Debt

See Note 5 -*Long-term Debt*

G. Restricted and Committed Portion of Ending Cash and Investments

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



The District reports restricted, assigned, committed, and unrestricted Ending Cash and Investments.

The restricted balance consists of restricted bond issuance funds of \$40,243 in the Bond Fund.

Ending Cash and Investments also consists of the following Committed amounts due to resolutions approved by the Board of Commissioners:

– Capital Fund	\$ 64,134
– Operating Reserve Fund	\$ 342,799

## **NOTE 2 – BUDGET COMPLIANCE**

### **Budgets**

The District adopts annual appropriated budgets for the maintenance and operation, capital and bond funds. These budgets are appropriated at the fund level except the general fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. The appropriated and actual expenditures for the legally adopted budgets were as follows:

<b>Fund/Department</b>	<b>Final Appropriated Amounts</b>	<b>Actual Expenditures</b>	<b>Remaining</b>
<b><u>General Fund</u></b>			
Administration Department	\$ 765,003	\$ 743,144	\$ 21,859
Maintenance Department	159,100	137,615	21,485
Programming Department	137,605	136,156	1,449
Projects/Equipment Department	71,700	63,891	7,809
Debt Service Department	75,375	74,994	381
Campground Department	47,220	-	47,220
Transfers	-	73,065	(73,065)
<i>Total General Fund</i>	<u>1,256,003</u>	<u>1,228,865</u>	<u>27,138</u>
Managerial Fund: Reserve Fund	82,126	-	82,126
<i>Total</i>	<u>1,338,129</u>	<u>1,228,865</u>	<u>109,264</u>
Transfer Elimination		<u>73,065</u>	
<i>Total General Fund, per Financial Statements</i>		<u>\$ 1,155,800</u>	
Property & Capital Fund	409,484	158,522	250,962
Bond Fund	197,200	353,287	(156,087)
<i>Total District</i>	<u>\$ 1,944,813</u>	<u>\$ 1,667,609</u>	<u>\$ 204,139</u>

The Campground revenues were under budget due to delays in opening the campground for operations.

The table above includes transfers between funds that are consolidated for reporting purposes on the Fund Resources and Uses Arising from Cash Transactions financial statement.

### **NOTE 3 – COVID-19 Pandemic**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The District is currently operating on a limited basis with small group recreation programs and field rentals. The ongoing maintenance of its parks, and all finance and administrative functions are operating normal. Full-time staff have been busy and are working toward reopening and resuming all programming as regulations permit.

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

### **NOTE 4 – DEPOSITS & INVESTMENTS**

Investments are reported at original cost. Deposits and investments by type at December 31, 2022 are as follows:

<b><u>Type of Deposit or Investment</u></b>	<b><u>District's own deposits &amp; investments</u></b>
Island County Cash Deposits	\$ 321,899
Island County Investment Pool	713,937
Petty Cash	500
Totals \$	<u><u>\$1,036,336</u></u>

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

#### **Deposits and Investments in Island County Investment Pool**

The District is a voluntary participant in the Island County treasury pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The district reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

#### **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 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.

## **NOTE 5 – LONG-TERM DEBT**

### **Debt Service**

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 the year ended December 31, 2022.

The debt service requirements for general obligation bonds and direct financing purchases are as follows:

Debt Service Requirements			
	Principal	Interest	Total
2023 \$	149,830 \$	30,556 \$	180,386
2024	138,639	26,791	165,430
2025	129,013	23,527	152,540
2026	125,609	20,855	146,464
2027	127,831	18,228	146,059
2028-2032	76,344	71,446	147,790
2033-2037	94,210	53,580	147,790
2038-2042	116,257	31,533	147,790
2043-2045	82,438	6,238	88,676
TOTALS \$	<u>1,040,171 \$</u>	<u>282,754 \$</u>	<u>1,322,925</u>

## **NOTE 6 – PENSION PLANS**

### **A. State Sponsored Pension Plans**

Substantially all of the District's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement 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

PO 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, 2022 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	16,121	0.002631	73,257
PERS 2/3	27,637	0.003440	(127,582)

Only the net pension liabilities are reported on the Schedule 09.

#### **NOTE 7 – DEFERRED CONTRIBUTION PENSION PLAN**

The Districts' Section 457 Plan is a single-employer defined contribution plan. Plan benefit terms have been established by the Washington State Department of Retirement Deferred Compensation Program (DCP) and the Districts' personnel policy. The District makes matching contributions on behalf of participating employees. No assets are accumulated in trusts or equivalent arrangements by the Authority which meet the criteria in GASB 73, paragraph 101. The plan assets are administered by a third-party, which is the Washington State Department of Retirement Systems – Washington State Investment Board.

Plan assets are held in each employee's name and are the property of the employee and are 100% vested upon contribution.

Contribution rates for employees can change annually and are limited by the State of Washington DCP regulations and the IRS Section 457 limitations. Per the DCP program, the minimum contribution is \$30 per month and cannot exceed \$19,500 per year. The District matches up to 6.2% of regular wages for full-time personnel. Pension expense and employer contributions for the District was \$26,757 for the year ended December 31, 2022.

#### **NOTE 8 – PROPERTY TAXES**

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

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

The District has a regular levy and two bond levies for the year 2022. The levy rates are per \$1,000 on assessed valuation for at total of \$1,177,094 as follows:

Levy	Levy Rate	Valuation	Total Levy
Regular	0.1654466447	\$ 5,917,660,657	\$ 979,057
Bond	0.0199484451	5,852,223,045	116,743
Bond 2	0.0138911264	5,852,223,045	81,294
			<u>\$ 1,177,094</u>

## **NOTE 9 – ASSET RETIREMENT OBLIGATION**

The District had 1 well requiring decommissioning in 2022. During 2022 the District paid \$6,582 for the related work.

## **NOTE 10 – RISK MANAGEMENT**

The District is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2022, there were 539 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris' program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement program. Pollution coverage is provided on a "claims made" coverage form. All other coverage is provided on an "occurrence" coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Liability:</b>				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
Terrorism Liability <sup>(2)</sup>	Per Occurrence Pool Aggregate	\$500,000 \$1 million	\$0 Fully funded by Pool	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay <sup>(3)</sup>

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible
- (2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.
- (3) Members pay a 20% co-pay of costs up to a maximum of \$100,000. By meeting established guidelines, the co-pay may be waived.

**Property <sup>(2):</sup>**

Buildings and Contents	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Boiler and Machinery <sup>(3)</sup>	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense(EE) <sup>(4)</sup>	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
<b>Sublimit <sup>(5):</sup></b>				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5%; \$500,000 maximum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million/ Pool member \$200 million	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/Pool member \$1.2 billion/APIP \$1.4 billion/APIP	\$0
<b>Automobile Physical Damage<sup>(6)</sup></b>	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles	\$800 million	\$250 - \$1,000
<b>Crime Blanket <sup>(7)</sup></b>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Named Position <sup>(8)</sup></b>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Cyber <sup>(9)</sup></b>	Each Claim APIP Aggregate	\$100,000	\$2 million \$25 million	20% Copay
<b>Identity Fraud Expense Reimbursement <sup>(10)</sup></b>	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
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(9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.

(10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

## **NOTE 11 – OTHER DISCLOSURES**

### **Subsequent Events**

The District received a grant for \$400,000 from the Washington Department of Commerce for design work for an aquatics and recreation facility (a pool). Design work on this project started in 2023.

# SOUTH WHIDBEY PARKS AND RECREATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### JANUARY 1, 2021 THROUGH DECEMBER 31, 2021

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The South Whidbey Parks and Recreation District was formed by a special election certified in November of 1983 and operates under the laws of the State of Washington applicable to a park district. The South Whidbey Parks and Recreation District is a special purpose local government and provides for the management, control, improvement, maintenance and acquisition of parks, and recreational facilities.

The South Whidbey Parks and Recreation District (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.
- Supplementary information required by GAAP is not presented.

#### **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 (Maintenance and Operations 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. An internal reserve fund is rolled up into the general fund for reporting purposes.

##### **Debt Service Funds (Bond Redemption Fund)**



These funds account for the financial resources that are restricted, committed or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

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 the twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 4 – *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of ten years. Capital assets are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 400 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 480 hours. Upon death or retirement employees receive between 10%-40% payment for unused sick leave, depending on months of service. Payments are recognized as expenditures when paid.

The total value of accrued vacation and eligible sick leave hours for employees is \$82,247.

F. Long Term Debt

See Note 5 -*Long-term Debt*

G. Restricted and Committed Portion of Ending Cash and Investments

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

The District reports restricted, assigned, committed, and unrestricted Ending Cash and Investments.

The restricted balance consists of restricted bond issuance funds of \$38,179 in the Bond Fund.

Ending Cash and Investments also consists of the following Committed amounts due to resolutions approved by the Board of Commissioners:

– Capital Fund	\$ 213,840
– Operating Reserve Fund	\$ 266,051

## NOTE 2 – BUDGET COMPLIANCE

### Budgets

The District adopts annual appropriated budgets for the maintenance and operation, capital and bond funds. These budgets are appropriated at the fund level except the general fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. The appropriated and actual expenditures for the legally adopted budgets were as follows:

<b>Fund/Department</b>	<b>Final Appropriated Amounts</b>	<b>Actual Expenditures</b>	<b>Remaining</b>
<b><u>General Fund</u></b>			
Administration Department	\$ 745,941	\$ 726,498	\$ 19,443
Maintenance Department	151,000	147,106	3,894
Programming Department	139,177	94,784	44,393
Projects/Equipment Department	94,700	18,588	76,112
Debt Service Department	91,753	91,399	354
Transfers	-	4,534	(4,534)
<i>Total General Fund</i>	<u>1,222,571</u>	<u>1,082,909</u>	<u>139,662</u>
Managerial Fund: Reserve Fund	<u>5,392</u>	-	<u>5,392</u>
<i>Total</i>	<u>1,227,963</u>	<u>1,082,909</u>	<u>145,054</u>
Transfer Elimination		<u>4,534</u>	
<i>Total General Fund, per Financial Statements</i>	\$	<u>1,078,375</u>	
Property & Capital Fund	198,100	14,544	183,556.00
Bond Fund	190,000	201,292	(11,292)
<i>Total District</i>	<u>\$ 1,616,063</u>	<u>\$ 1,294,211</u>	<u>\$ 321,852</u>

The table above includes transfers between funds that are consolidated for reporting purposes on the Fund Resources and Uses Arising from Cash Transactions financial statement.

## NOTE 3 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The District is currently operating on a limited basis with small group recreation programs and field rentals. The ongoing maintenance of its parks, and all finance and administrative functions are operating normal. Full-time staff have been busy and are working toward reopening and resuming all programming as regulations permit.

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

#### **NOTE 4 – DEPOSITS & INVESTMENTS**

Investments are reported at original cost. Deposits and investments by type at December 31, 2021 are as follows:

<u>Type of Deposit or Investment</u>	<u>District's own deposits &amp; investments</u>
Island County Cash Deposits	\$ 395,610
Island County Investment Pool	758,453
Petty Cash	500
<b>Totals \$</b>	<b><u><u>\$1,154,563</u></u></b>

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

#### **Deposits and Investments in Island County Investment Pool**

The District is a voluntary participant in the Island County treasury pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The district reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

#### **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 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.

## **NOTE 5 – LONG-TERM DEBT**

### **Debt Service**

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 the year ended December 31, 2021.

The debt service requirements for general obligation bonds and direct financing purchases are as follows:

Debt Service Requirements			
	Principal	Interest	Total
2022 \$	388,187 \$	40,118 \$	428,305
2023	149,830	30,556	180,386
2024	138,639	26,791	165,430
2025	129,013	23,527	152,540
2026	125,609	20,855	146,464
2027-2031	187,596	76,695	264,291
2032-2036	90,330	57,460	147,790
2037-2041	111,469	36,321	147,790
2042-2045	107,683	10,549	118,232
TOTALS \$	<u>1,428,356 \$</u>	<u>322,872 \$</u>	<u>1,751,228</u>

## **NOTE 6 – PENSION PLANS**

### **A. State Sponsored Pension Plans**

Substantially all of the District's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement 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:

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

At June 30, 2021 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	20,747	0.002785	34,011
PERS 2/3	33,866	0.003575	(356,128)

Only the net pension liabilities are reported on the Schedule 09.

#### **NOTE 7 – PROPERTY TAXES**

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

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

The District has a regular levy and two bond levies for the year 2021. The levy rates are per \$1,000 on assessed valuation, for a total of \$1,150,721 as follows:

Levy	Levy Rate	Valuation	Total Levy
Regular	0.1773341632	\$ 5,413,065,889	\$ 959,922
Bond	0.0206945052	5,350,995,502	110,736
Bond 2	0.0149623037	5,350,995,502	80,063
			<u>\$ 1,150,721</u>

#### **NOTE 8 – ASSET RETIREMENT OBLIGATION**

The District had 1 well requiring decommissioning in 2022. The known expense amount of \$6,582 will be reported on schedule 9.

#### **NOTE 9 – RISK MANAGEMENT**

The District is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter

48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2021, there were 539 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris' program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement program. Pollution coverage is provided on a "claims made" coverage form. All other coverage is provided on an "occurrence" coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Liability:</b>				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability <sup>(2)</sup>	Per Occurrence	\$500,000	\$0	\$1,000 - \$100,000
	Pool Aggregate	\$1 million	Fully funded by Pool	
Employment Practices Liability	Per Occurrence	\$1 million	\$20 million	20% Copay <sup>(3)</sup>
	Member Aggregate		\$20 million	

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible

(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(3) Members pay a 20% co-pay of costs up to a maximum of \$100,000. By meeting established guidelines, the co-pay may be waived.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Property <sup>(2):</sup></b>				
Buildings and Contents	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$800 million	\$1,000 - \$250,000
Boiler and Machinery <sup>(3)</sup>	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense(EE) <sup>(4)</sup>	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
<b>Sublimit <sup>(5):</sup></b>				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5%; \$500,000 maximum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million/ Pool member \$200 million	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/Pool member \$1.2 billion/APIP \$1.4 billion/APIP	\$0
<b>Automobile Physical Damage<sup>(6)</sup></b>	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles	\$800 million	\$250 - \$1,000
<b>Crime Blanket <sup>(7)</sup></b>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Named Position <sup>(8)</sup></b>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Cyber <sup>(9)</sup></b>	Each Claim APIP Aggregate	\$100,000	\$2 million \$25 million	20% Copay
<b>Identity Fraud Expense Reimbursement <sup>(10)</sup></b>	Member Aggregate	\$0	\$25,000	\$0

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.

(2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.

(3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.

(4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.



Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
(5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.				
(6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.				
(7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.				
(8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.				
(9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.				
(10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.				

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.



# SOUTH WHIDBEY PARKS AND RECREATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### JANUARY 1, 2020 THROUGH DECEMBER 31, 2020

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The South Whidbey Parks and Recreation District was formed by a special election certified in November of 1983 and operates under the laws of the State of Washington applicable to a park district. The South Whidbey Parks and Recreation District is a special purpose local government and provides for the management, control, improvement, maintenance and acquisition of parks, and recreational facilities.

The South Whidbey Parks and Recreation District (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.
- Supplementary information required by GAAP is not presented.

#### **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 (Maintenance and Operations 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. An internal reserve fund is rolled up into the general fund for reporting purposes.

##### **Debt Service Funds (Bond Redemption Fund)**

These funds account for the financial resources that are restricted, committed or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

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 the twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

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 ten years. Capital assets are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 400 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 480 hours. Upon death or retirement employees receive between 10%-40% payment for unused sick leave, depending on months of service. Payments are recognized as expenditures when paid.

The total value of accrued vacation and eligible sick leave hours for employees is \$77,578.

F. Long Term Debt

See Note 5 -*Long-term Debt*

G. Restricted and Committed Portion of Ending Cash and Investments

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

The District reports restricted, assigned, committed, and unrestricted Ending Cash and Investments.

The restricted balance consists of restricted bond issuance funds of \$48,420 in the Bond Fund.

Ending Cash and Investments also consists of the following Committed amounts due to resolutions approved by the Board of Commissioners:

– Capital Fund	\$ 200,083
– Operating Reserve Fund	\$ 259,913

## **NOTE 2 – BUDGET COMPLIANCE**

### **Budgets**

The District adopts annual appropriated budgets for the maintenance and operation, capital and bond funds. These budgets are appropriated at the fund level except the general fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. The appropriated and actual expenditures for the legally adopted budgets were as follows:

<b>Fund/Department</b>	<b>Final Appropriated Amounts</b>	<b>Actual Expenditures</b>	<b>Remaining</b>
<b><u>General Fund</u></b>			
Administration Department	\$ 688,787	\$ 683,198	\$ 5,589
Maintenance Department	151,000	125,875	25,125
Programming Department	150,801	46,936	103,865
Projects/Equipment Department	27,200	16,487	10,713
Debt Service Department	-	90,635	(90,635)
Transfers	94,194	7,964	86,230
<i>Total General Fund</i>	<u>1,111,982</u>	<u>971,095</u>	<u>140,887</u>
Managerial Fund: Reserve Fund	9,410	-	9,410
<i>Total</i>	<u>1,121,392</u>	<u>971,095</u>	<u>150,297</u>
Non Cash Grant Expenditures		456,023	
Transfer Elimination		<u>(7,964)</u>	
<i>Total General Fund, per Financial Statements</i>		\$ 1,435,082	
Property & Capital Fund	304,305	189,124	115,181
Bond Fund	198,000	579,342	(381,342)
<i>Total District</i>	<u>\$ 1,623,697</u>	<u>\$ 2,203,548</u>	<u>\$ (579,851)</u>

The Bond fund expenses are over budget mostly due to \$364,000 transfer to the Property & Capital Fund.

The table above includes transfers between funds that are consolidated for reporting purposes on the Fund Resources and Uses Arising from Cash Transactions financial statement.

### **NOTE 3 – COVID-19 Pandemic**

The COVID-19 pandemic currently is affecting many parts of the world, including the State, the County, and the South Whidbey Park and Recreation District. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 a national emergency. On February 29, 2020, Washington’s Governor declared a state of emergency due to the number of confirmed cases of COVID-19 in the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak. The State Governor has issued a series of proclamations designed to limit social interactions, including orders requiring or encouraging individuals, governments and businesses to take certain precautionary measures designed to prevent the spread of COVID-19. On March 23, 2020, the State Governor issued a statewide “Stay Home, Stay Healthy” proclamation, requiring individuals to stay home except for essential activities, banning social and other gatherings, and closing all businesses with certain exceptions for essential businesses. Washington State has adjusted its re-opening approach over time, and currently is using an approach that groups counties into regions.

As a result, in the spring of 2020 the District cancelled programming and closed facilities except for limited essential functions. As a result, most in-person spring and early summer events, sports, programs, and facility rentals were cancelled. To offset the loss of revenue, seasonal staff were not hired, and non-essential spending was diminished. Large-scale special events were cancelled. In the Summer of 2020, the District held limited online classes, outdoor summer camps and sports, and other modified programs at reduced numbers. Parks and trails opened on a limited basis for the well-being of the community. Despite cuts to service and revenue, the District finished 2020 with an overall revenue surplus. The South Whidbey Parks and Recreation District is currently operating on a limited basis with small group recreation programs and outdoor activities; indoor programs have largely ceased until access to School District facilities is available. The ongoing maintenance of its parks, and all finance and administrative functions are operating normally. The County is currently in the process of cautiously reopening under the Governor’s evolving regulations. Full-time staff have been busy and are working toward reopening and resuming all programming as regulations permit.

### **NOTE 4 – DEPOSITS & INVESTMENTS**

Investments are reported at original cost. Deposits and investments by type at December 31, 2020 are as follows:

<u>Type of Deposit or Investment</u>	<u>District's own deposits &amp; investments</u>
Island County Cash Deposits	\$ 321,844
Island County Investment Pool	793,760
Petty Cash	500
Totals \$	<u>\$1,116,104</u>

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

#### Deposits and Investments in Island County Investment Pool

The District is a voluntary participant in the Island County treasury pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The district reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

#### 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 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.

### **NOTE 5 – LONG-TERM DEBT**

#### Debt Service

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 the year ended December 31, 2020.

The debt service requirements for general obligation bonds and direct financing purchases are as follows:

Debt Service Requirements			
	Principal	Interest	Total
2021 \$	245,927	46,764	292,691
2022	388,187	40,118	428,305
2023	149,830	30,556	180,386
2024	138,639	26,791	165,430
2025	129,013	23,527	152,540
2026-2030	297,309	83,888	381,197
2031-2035	86,610	61,180	147,790
2036-2040	106,878	40,912	147,790
2041-2045	131,891	15,900	147,791
TOTALS \$	<u>1,674,284</u>	<u>\$ 369,636</u>	<u>\$ 2,043,920</u>

## **NOTE 6 – PENSION PLANS**

### **A. State Sponsored Pension Plans**

Substantially all of the District's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement 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  
PO 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, 2020 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	18,881	0.002605	91,971
PERS 2/3	31,416	0.003410	43,612

Only the net pension liabilities are reported on the Schedule 09.

## **NOTE 7 – PROPERTY TAXES**

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

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

The District has a regular levy and two bond levies for the year 2020. The levy rates are per \$1,000 on assessed valuation for at total of \$1,140,459 as follows:

Levy	Levy Rate	Valuation	Total Levy
Regular	0.1858484525	\$ 5,064,779,971	\$ 941,282
Bond	0.0229981116	5,008,121,631	115,177
Bond 2	0.0167727556	5,008,121,631	84,000
			<u>\$ 1,140,459</u>

#### **NOTE 8 – ASSET RETIREMENT OBLIGATION**

The District had 1 well that will be decommissioned in 2022. The known liability for this work of \$6,582 is recorded on schedule 9.

#### **NOTE 9 – RISK MANAGEMENT**

South Whidbey Park and Recreation District is a member of Enduris. Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2020, there are 547 Enduris members representing a broad array of special purpose districts throughout the state. Enduris provides property and liability coverage as well as risk management services and other related administrative services.

Members make an annual contribution to fund the Pool and share in the self-insured retention. The self-insured retention is:

- \$1,000,000 self-insured retention on liability loss - the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$999,000 on a liability loss.
- \$250,000 self-insured retention on property loss - the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$249,000 on a property loss. For property losses related to boiler and machinery Enduris is responsible for the first \$4,000 of the claim.

Enduris acquires reinsurance from unrelated insurance companies on a “per occurrence” basis to cover all losses over the self-insured retentions as shown on the policy maximum limits. Liability coverage is for all lines of liability coverage including Public Official’s Liability. The Property coverage is written on an “all risk”, blanket basis using current Statement of Values. The Property coverage includes but is not limited to mobile equipment, boiler and machinery, electronic data processing equipment, business interruption, course of construction and additions, property in transit, fine arts, cyber and automobile physical damage to insured vehicles. Liability coverage limit is \$20 million per occurrence and property coverage limit is \$800 million per occurrence. Enduris offers crime coverage up to a limit of \$1 million per occurrence.

Since Enduris is a cooperative program, there is joint liability among the participating members.

The contract requires members to remain in the Pool for a minimum of one year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool and are administered in house.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of Enduris.

Enduris did not have any claim settlements that exceeded the limits in the last 3 years.

#### **NOTE 9 – OTHER ITEMS**

December 31, 2020 the purchase of Waterman Property was completed, and the development of public access and trails on the property was anticipated for 2021. Of the total purchase, \$144,056 was paid out of local funds through a bond, and an additional \$456,022.84 was paid by a grant through the Washington State Recreation and Conservation Office.



**South Whidbey Parks and Recreation District**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2022**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
263.91	2015 Gabelein Property Loan (campground)	11/15/2045	442,001	-	10,888	431,113
251.12	Bond Debt - Cashmere Valley Bank	12/1/2024	231,781	-	231,781	-
251.12	Bond Debt - Heritage Bank	12/1/2027	657,381	-	104,079	553,302
<b>Total General Obligation Debt/Liabilities:</b>			<b>1,331,163</b>	<b>-</b>	<b>346,748</b>	<b>984,415</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Net Pension Liability		34,011	39,246	-	73,257
263.62	2017 Kubota Mini Excavator KX040	6/15/2022	6,828	-	6,828	-
263.92	2018 Kubota Tractor	3/15/2023	6,803	-	5,444	1,359
263.92	2018 Jacobsen Mower	10/15/2023	26,210	-	12,795	13,415
263.92	2019 Permabilt Maintenance Storage Building	5/15/2025	38,379	-	10,294	28,085
263.92	2020 Kubota/Toro Workman HDX/Infield Groomer	12/15/2024	18,973	-	6,076	12,897
263.93	Well ARO	12/31/2022	6,582	-	6,582	-
259.12	Compensated Absences		82,247	-	10,627	71,620
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>220,033</b>	<b>39,246</b>	<b>58,646</b>	<b>200,633</b>
<b>Total Liabilities:</b>			<b>1,551,196</b>	<b>39,246</b>	<b>405,394</b>	<b>1,185,048</b>

**South Whidbey Parks and Recreation District**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2021**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
263.91	2015 Gabelein Property Loan (Campground)	11/15/2045	452,440	-	10,439	442,001
251.12	Bond Debt - Cashmere Valley Bank	12/1/2024	305,593	-	73,812	231,781
251.12	Bond Debt - Heritage Bank	12/1/2027	763,778	-	106,397	657,381
<b>Total General Obligation Debt/Liabilities:</b>			<b>1,521,811</b>	<b>-</b>	<b>190,648</b>	<b>1,331,163</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Net Pension Liability		135,583	-	101,572	34,011
263.52	Aerator Weidenmann Lease with purchase option	10/15/2021	9,128	-	9,128	-
263.62	2017 Kubota Mini Excavator KX040	6/15/2022	20,079	-	13,251	6,828
263.92	2018 Kubota Tractor	3/15/2023	11,983	-	5,180	6,803
263.92	2018 Jacobsen Mower	10/15/2023	38,323	-	12,113	26,210
263.92	2019 Permabilt Maintenance Storage Building	5/15/2025	48,148	-	9,769	38,379
263.92	2020 Kubota/Toro Workman HDX/Infield Groomer	12/15/2024	24,812	-	5,839	18,973
263.93	Well #1		6,582	-	-	6,582
259.12	Compensated Absences		77,578	4,669	-	82,247
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>372,216</b>	<b>4,669</b>	<b>156,852</b>	<b>220,033</b>
<b>Total Liabilities:</b>			<b>1,894,027</b>	<b>4,669</b>	<b>347,500</b>	<b>1,551,196</b>

**South Whidbey Parks and Recreation District**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2020**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
263.91	2015 Gabelein Property Loan (campground)	11/15/2045	462,826	-	10,386	452,440
251.12	Bond Debt - Cashmere Valley Bank	12/1/2024	-	379,000	73,407	305,593
251.12	Bond Debt - Heritage Bank	12/1/2027	867,320	-	103,542	763,778
<b>Total General Obligation Debt/Liabilities:</b>			<b>1,330,146</b>	<b>379,000</b>	<b>187,335</b>	<b>1,521,811</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Net Pension Liability		129,965	5,618	-	135,583
263.62	2017 Kubota Mini Excavator KX040	6/15/2022	32,806	-	12,727	20,079
263.92	2018 Kubota Tractor	3/15/2023	16,910	-	4,927	11,983
263.92	Kubota Tractor & Toro Workman Utility Vehicle	6/1/2020	10,351	-	10,351	-
263.92	2018 Jacobsen Mower	10/15/2023	49,789	-	11,466	38,323
263.92	2019 Permabilt Maintenance Storage Building	5/15/2025	57,419	-	9,271	48,148
263.92	2020 Kubota/Toro Workman HDX/Infield Groomer	12/15/2024	-	30,556	5,744	24,812
263.92	Aerator Weidenmann - Lease	11/3/2021	17,762	-	8,634	9,128
263.93	Well ARO	12/31/2022	6,582	-	-	6,582
259.12	Compensated Absences		68,768	8,810	-	77,578
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>390,352</b>	<b>44,984</b>	<b>63,120</b>	<b>372,216</b>
<b>Total Liabilities:</b>			<b>1,720,498</b>	<b>423,984</b>	<b>250,455</b>	<b>1,894,027</b>

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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