



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

# **Financial Statements Audit Report**

## **Washington Counties Insurance Fund**

**For the period January 1, 2018 through December 31, 2018**

**Published October 28, 2019**

**Report No. 1024822**





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

October 28, 2019

Board of Trustees  
Washington Counties Insurance Fund  
Tumwater, Washington

**Report on Financial Statements**

Please find attached our report on the Washington Counties Insurance Fund's financial statements.

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

Sincerely,

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

## 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 Government Auditing Standards.....	4
Independent Auditor's Report on Financial Statements.....	6
Financial Section.....	9
About the State Auditor's Office.....	34

**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  
GOVERNMENT AUDITING STANDARDS**

**Washington Counties Insurance Fund  
January 1, 2018 through December 31, 2018**

Board of Trustees  
Washington Counties Insurance Fund  
Tumwater, 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 Washington Counties Insurance Fund, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated October 9, 2019.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 Fund'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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of the Fund's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 Fund'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 Fund'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.



Pat McCarthy

State Auditor

Olympia, WA

October 9, 2019

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## Washington Counties Insurance Fund January 1, 2018 through December 31, 2018

Board of Trustees  
Washington Counties Insurance Fund  
Tumwater, Washington

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Washington Counties Insurance Fund, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed on page 9.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements 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 Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Washington Counties Insurance Fund, as of December 31, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on page 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2019 on our consideration of the Fund's internal control over financial reporting and on our 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 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 Fund's internal control over financial reporting and compliance.



Pat McCarthy  
State Auditor  
Olympia, WA

October 9, 2019



## **FINANCIAL SECTION**

### **Washington Counties Insurance Fund January 1, 2018 through December 31, 2018**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2018

#### **BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2018

Statement of Revenues, Expenses and Changes in Net Position – 2018

Statement of Cash Flows – 2018

Notes to Financial Statements – 2018

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3 – 2018

Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2018

## **Washington Counties Insurance Fund MCAG NO. 0775**

### **Management Discussion and Analysis For the Fiscal Year Ended December 31, 2018**

The management of the Washington Counties Insurance Fund (WCIF or “Fund”) offers the readers of the Fund’s financial statements, this narrative as an overview and analysis of the financial activities for the fiscal year ended December 31, 2018. To more fully understand the financial position of the Fund, this narrative should be considered in conjunction with the information contained in the Fund’s financial statements and accompanying notes.

The Fund was established in 1959 to provide medical, dental, vision, life, accidental death and dismemberment, disability and other benefits to the eligible employees of participating employers and the dependents of eligible employees. Operating Revenue for the Fund is generated through administrative fees and commissions on the premiums received from participating groups.

#### ***FINANCIAL HIGHLIGHTS:***

In 2018, for the second year in a row, premium revenue declined due to a decline in enrollment as well as several member groups migrating from plans with richer benefits and higher premiums, to higher deductible, lower premium plans. Administrative fees and commissions are directly related to premium revenue and therefore also declined in 2018.

The December 31, 2018 Net Position of \$6,915,148 was an increase of \$160,989 over the December 31, 2017 Net Position of \$6,754,159.

#### ***OVERVIEW OF THE FINANCIAL STATEMENTS:***

##### **Financial Statements**

The *Statement of Net Position* presents information on all of the Fund’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets plus deferred outflows less liabilities and deferred inflows is reported as *Net Position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Fund is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* presents information showing how the Fund’s net position changed during the fiscal year. All

changes in net position are reported when the underlying event giving rise to the change actually occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave – Compensated Absences).

## **Notes to the Financial Statements**

The *Notes to the Financial Statements* provide additional information essential to fully understanding the data provided in the Fund’s financial statements.

### ***FINANCIAL ANALYSIS:***

As noted earlier, net position may serve over time as a useful indicator of an organization’s financial health. In the case of the Fund, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$6,915,148 at the close of the most recent fiscal year. \$878,197 of the net position is invested in capital assets; and \$6,036,951 is unrestricted and may be used to meet the Fund’s administrative requirements or to stabilize premium rates.

### ***Washington Counties Insurance Fund’s Net Position as of 12/31/18 & 12/31/17***

	<b>2018</b>	<b>2017</b>
Current Assets	\$8,201,229	\$7,652,143
Noncurrent (Capital) Assets, Net	\$878,197	\$915,646
Total Assets	\$9,079,426	\$8,567,789
Deferred Outflows of Resources	\$52,495	\$70,754
Current Liabilities	\$1,722,022	\$1,311,281
Noncurrent Liabilities	\$364,956	\$494,859
Total Liabilities	\$2,086,978	\$1,806,140
Deferred Inflows of Resources	\$129,795	\$78,244
Investment in Capital Assets	\$878,197	\$915,646
Unrestricted Net Position	\$6,036,951	\$5,838,513
Total Net Position	\$6,915,148	\$6,754,159

***Washington Counties Insurance Fund's Change in Net Position as of 12/31/18 & 12/31/17***

	<b>2018</b>	<b>2017</b>
Operating Revenue	\$55,073,313	\$59,187,965
Non-operating Revenue	\$103,788	\$44,689
Total Revenue	\$55,177,101	\$59,232,654
Operating Expense	\$55,015,798	\$58,515,463
Non-operating Expense	\$314	\$272
Total Expense	\$55,016,112	\$58,515,735
<b>Change in Net Position</b>	\$160,989	\$716,919
<b>Beginning Net Position</b>	<b>\$6,754,159</b>	<b>\$6,037,240</b>
<b>Ending Net Position</b>	<b>\$6,915,148</b>	<b>\$6,754,159</b>

***REQUESTS FOR INFORMATION:***

This financial report is designed to provide a general overview of the Washington Counties Insurance Fund's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Washington Counties Insurance Fund  
P.O. Box 7786  
Olympia, WA 98507-7786

**WASHINGTON COUNTIES INSURANCE FUND**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

**MCAG NO. 0775**

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$	6,598,345
Commissions & Administrative Fees Receivable	\$	207,893
Premiums Receivable	\$	653,623
Delta Dental Stabilization Receivable	\$	130,662
Other Receivables		
Prepaid Expenses	\$	47,381
CFR (LTD) The Standard	\$	563,325
Delta Dental Stabilization Reserve		
<b>TOTAL CURRENT ASSETS</b>	<b>\$</b>	<b>8,201,229</b>

**Noncurrent Assets:**

Capital Assets (Net of Accumulated Depreciation)	\$	878,197
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$</b>	<b>878,197</b>

**TOTAL ASSETS**

**\$ 9,079,426**

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows Related to Pensions	\$	52,495
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$</b>	<b>52,495</b>

**LIABILITIES**

**Current Liabilities:**

Accounts Payable	\$	263,017
Premiums Payable	\$	1,068,520
Payroll Liabilities	\$	687
Unearned Revenue Liability	\$	389,798
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$</b>	<b>1,722,022</b>

**Noncurrent Liabilities:**

Compensated Absences	\$	39,875
Net Pension Liability	\$	325,081
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$</b>	<b>364,956</b>

**TOTAL LIABILITIES**

**\$ 2,086,978**

**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows Related to Pensions	\$	129,795
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$</b>	<b>129,795</b>

**NET POSITION**

Investment in Capital Assets	\$	878,197
Unrestricted	\$	6,036,951

**TOTAL NET POSITION**

**\$ 6,915,148**

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**WASHINGTON COUNTIES INSURANCE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
For the Fiscal Period Ended December 31, 2018

**OPERATING REVENUES:**

Administrative Fees	\$	1,405,322
Producer Fees	\$	80,610
Commissions	\$	465,327
Premiums Collected	\$	52,991,392
Other	\$	130,662
<b>TOTAL OPERATING REVENUES</b>	<b>\$</b>	<b>55,073,313</b>

**OPERATING EXPENSES:**

Third Party Administration	\$	409,091
Vivacity Wellness Program	\$	135,738
Wellness Grant Program	\$	69,346
Wellness Incentive Expenses	\$	105,600
Wellness Program Expenses	\$	7,786
Insurance Expense	\$	44,816
Salaries and Wages	\$	641,664
Personnel Benefits	\$	110,421
Premium Expense	\$	52,991,392
Publication and Printing	\$	17,953
Incentive & Rewards Programs	\$	8,991
Marketing & Promotional	\$	21,929
Professional Services	\$	183,971
Board Expenses	\$	15,293
Staff Travel Expenses	\$	33,244
General and Administrative Expenses	\$	170,854
Depreciation	\$	47,709
<b>TOTAL OPERATING EXPENSES</b>	<b>\$</b>	<b>55,015,798</b>

OPERATING INCOME (LOSS)	\$	57,515
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**NONOPERATING REVENUES (EXPENSES):**

Interest Income	\$	103,788
Investment Fees	\$	(314)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$</b>	<b>103,474</b>

<b>CHANGE IN NET POSITION</b>	<b>\$</b>	<b>160,989</b>
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TOTAL NET POSITION, Beginning of the Period	\$	6,754,159
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TOTAL NET POSITION, End of the Period	<b>\$</b>	<b>6,915,148</b>
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SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**WASHINGTON COUNTIES INSURANCE FUND**  
**STATEMENT OF CASH FLOW**  
For the Fiscal Year Ended December 31, 2018

**MCAG NO. 0775**

**Page 1 of 2**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received for premiums	\$ 52,634,592
Cash received for fees and commissions	\$ 1,957,798
Cash received from other income	\$ -
Cash payments for premiums	\$ (52,564,084)
Cash payments for insurance coverage	\$ (45,537)
Cash payments for Third Party Administrators	\$ (409,091)
Cash payments to suppliers for goods and services	\$ (338,736)
Cash payments for other operating expenses	\$ (540,598)
Cash payments to employees for services	\$ (641,664)

Net Cash Provided (Used) by Operating Activities	<u>\$ 52,680</u>
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**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

Transfer of Funds from CFR (LTD) The Standard to LGIP	\$ 542,495
Transfer of Funds from Delta Dental RSR to LGIP	\$ 845,543

Net Cash Provided (Used) by Non-Capital Financing Activities	<u>\$ 1,388,038</u>
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**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Capital Purchases	\$ (10,260)
Other Income	\$ -

Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (10,260)</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest Received	\$ 85,597
Investment Fees	\$ (314)

Net Cash Provided (Used) by Investing Activities	<u>\$ 85,283</u>
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Increase (Decrease) in Cash and Cash Equivalents	\$ 1,515,741
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Cash and Cash Equivalents, Beginning of the Year	<u>\$ 5,082,604</u>
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Cash and Cash Equivalents, End of the Year	<u><u>\$ 6,598,345</u></u>
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SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**WASHINGTON COUNTIES INSURANCE FUND**  
**STATEMENT OF CASH FLOW**  
For the Fiscal Year Ended December 31, 2018

**MCAG NO. 0775**

**Page 2 of 2**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED)  
BY OPERATING ACTIVITIES**

OPERATING INCOME	\$	57,515
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation Expense	\$	47,709
Transfer of Funds from CFR (LTD) The Standard to LGIP	\$	(542,495)
Transfer of Funds from Delta Dental RSR to LGIP	\$	(845,543)
Interest Earned on CFR	\$	18,192
Changes in Assets and Liabilities:		
(Increase) decrease in prepaid expenses	\$	(343)
(Increase) decrease in receivables	\$	320,330
(Increase) decrease CFR (LTD) The Standard	\$	11,548
(Increase) decrease in Delta Dental Stabilization Reserves	\$	635,119
(Increase) decrease in Deferred Outflow of Resources	\$	18,259
Increase (decrease) in payables	\$	488,981
Increase (decrease) in Compensated Absences	\$	2,163
Increase (decrease) in payroll liabilities	\$	(166)
Increase (decrease) in Deferred Inflow of Resources	\$	51,551
Increase (decrease) in Other Current Liabilities	\$	(78,074)
Increase (decrease) in Net Pension Liability	\$	(132,066)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$	52,680

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** - The Washington Counties Insurance Fund, (WCIF or “Fund”), was established for the payment of medical, dental, life, vision, disability, accidental death and dismemberment, and other benefits to the eligible employees of participating employers and, if so provided, the dependents of eligible employees. The plan benefits are funded by contributions from the participating employers and, if so provided, eligible employees. The trust was originally established January 1, 1959, restated on November 7, 1985, and further amended on August 13, 1987; January 1, 2003; January 1, 2006; January 1, 2012; January 1, 2014; and January 1, 2015.

The accounting policies of Washington Counties Insurance Fund conform to generally accepted accounting principles. The following is a summary of the more significant policies:

**Basis of Accounting** - The Fund uses the full accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred. Capital asset purchases are capitalized and long-term liabilities are accounted for within the financial statements. Operating revenue for the Fund is derived from Administration Fees and Commissions. All expenses of the Fund, with the exception of Investment Fees, are classified as operating expenses.

**Cash and Cash Equivalents** - For the purposes of reporting cash flows, the trust considers all highly liquid deposits with a maturity of three months or less when purchased to be cash equivalents. Cash and Cash Equivalents includes \$325,500 Cash on Hand, which are monies that have been received by the Washington Counties Insurance Fund and have been credited to the Accounts Receivable but have not been deposited into an account in a financial institution. The remaining \$6,272,845 in Cash and Cash Equivalents are deposited into accounts (Note B).

**Premiums Receivable** - Premiums Receivable for the Washington Counties Insurance Fund consist of amounts owed for premiums by member groups.

**Commissions & Administrative Fees Receivable** - Amounts owed for services which have been rendered by the trust for the period ended December 31, 2018, such as commissions and administration fees.

**CFR (LTD) The Standard** – The Claims Fluctuation Reserve (CFR) for the Fund’s Long Term Disability (LTD) Program had a balance of \$563,325 on December 31, 2018. These funds are fully accessible to the Fund, however, by leaving them on deposit with The Standard the Fund receives a reduction in the premium rates for the LTD insurance.

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

**Delta Dental Stabilization Reserve** – The WCIF Board of Trustees reviewed the status of the Rate Stabilization Reserve at the June 16, 2018 Board meeting. The Board approved amending the previous agreement with Delta Dental and to withdraw all funds in the Stabilization Reserve in exchange for an annual margin call. The funds were withdrawn and deposited into the LGIP account in August 2018. While the margin call for 2018 was \$350,000, the plans performed very well in 2018, which resulted in a surplus of \$130,662, as of December 31, to be refunded to WCIF, which is reflected in the Delta Dental Stabilization Receivable.

**Compensated Absences** - The Fund records all accumulated unused vacation leave. Vacation pay, which may be accumulated up to 30 days maximum, is payable upon resignation, retirement or death. Sick leave may accumulate indefinitely. At termination, accrued sick leave will be paid not to exceed 25% of days accumulated, subject to a maximum accrual of 120 days. As of December 31, 2018 the value of Compensated Absences is \$39,875.

**Restricted Funds** – In accordance with certain related agreements, separate restricted funds may be required to be established. The assets held in these funds are restricted for specific time periods and/or for specific uses. At the end of the fiscal period ended December 31, 2018 the Fund had no restricted funds.

**Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Exemption from Federal and State Taxes** – Pursuant to revenue ruling number 90-74, income of Municipal Risk Pools is excluded from gross income under IRC Section 115(1). Chapter 48.62 RCW exempts the Fund from insurance premium taxes and business and occupation taxes on the Premium Revenue collected imposed pursuant to Chapter 82.04 RCW. Business and occupation taxes are applicable to the revenue generated from administrative fees and commissions.

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

**NOTE B – DEPOSITS AND INVESTMENTS**

**Deposits**

Custodial credit risk is the risk that in event of a failure of the counterparty to an investment transaction WCIF would not be able to recover the value of the investment or collateral securities. The WCIF deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

As of December 31, 2018, WCIF had the following deposit accounts:

Umpqua Bank	\$ 1,132,140
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**Investments in Local Government Investment Pool (LGIP)**

The Washington Counties Insurance Fund is a participant in the Local Government Investment Pool, which was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

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

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**  
**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

As of December 31, 2018, WCIF held the following investments at amortized cost:

Washington State Local Governments Investment Pool (LGIP)	\$5,140,705
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Custodial credit risk is the risk that in the event of a failure of the counterparty to an investment transaction, the WCIF would not be able to recover the value of the investment of collateral securities. Of the WCIF's total position in the LGIP, \$0 are exposed to custodial credit risk. The WCIF had no derivatives at the end of the fiscal year, nor did it participate in any securities lending transactions.

**NOTE C – CAPITAL ASSETS**

All assets with a cost of \$1,000 or more are capitalized and recorded at cost. Cost includes all ancillary charges necessary to place the asset in its intended location and condition for use. Maintenance and repairs are expensed as incurred. When equipment is retired or otherwise disposed of, cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as other income. Depreciation is computed on the straight-line method over the estimated useful lives of the equipment.

The estimated useful life for each asset class is:

Computers and Equipment	5 Years
Vehicles	5 Years
Furniture & Fixtures	7 Years
Buildings	39 Years

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

Capital assets consist of the following at December 31, 2018:

<b>Capital Asset</b>	<b>Beginning Balance 01/01/2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2018</b>
Building	\$1,138,222			\$1,138,222
Furniture and Fixtures & Leasehold Improvements	\$ 98,891			\$ 98,891
Vehicles	\$ 56,820			\$ 56,820
Computers, Software, and Office Equipment	\$ 53,243	\$ 10,260		\$ 63,503
Total Capital Assets:	\$1,347,176	\$ 10,260		\$1,357,436
	<b>Beginning Balance 01/01/2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2018</b>
Less Accumulated Depreciation For:				
Building	\$ 272,395	\$ 29,185		\$ 301,580
Furniture and Fixtures & Leasehold Improvements	\$ 98,891			\$ 98,891
Vehicles	\$ 17,692	\$ 11,364		\$ 29,056
Computers, Software, and Office Equipment	\$ 42,552	\$ 7,160		\$ 49,712
Total Accumulated Depreciation:	\$ 431,530	\$ 47,709		\$ 479,239
Total Capital Assets, Net	\$ 915,646			\$ 878,197

**NOTE D – PENSION PLAN**

The following table represents the aggregate pension amounts for all plans for the year 2018:

<b>Aggregate Pension Amounts – All Plans</b>	
Pension liabilities	\$ (325,081)
Pension assets	\$
Deferred outflows of resources	\$ 52,495
Deferred inflows of resources	\$(129,795)
Pension expense/expenditures	\$ 14,862

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

**State Sponsored Pension Plans**

Substantially all the Washington Counties Insurance Fund's full-time and qualifying part-time employees participate in one of 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 (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

**Public Employees' Retirement System (PERS)**

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee*</b>
January – August 2018:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.70%</b>	<b>6.00%</b>
September – December 2018:		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.83%</b>	<b>6.00%</b>

\* For employees participating in JBM, the contribution rate was 12.26%.

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:



**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates:</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
January – August 2018:		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
<b>Total</b>	<b>12.70%</b>	<b>7.38%</b>
September – December 2018:		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
<b>Total</b>	<b>12.83%</b>	<b>7.41%</b>

\* For employees participating in JBM, the contribution rate was 18.45% to 18.53%.

The Washington Counties Insurance Fund's actual PERS plan contributions were \$31,073.77 to PERS Plan 1 and \$46,044.11 to PERS Plan 2/3 for the year ended December 31, 2018.

### **Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from June 30, 2017, to June 30, 2018, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- Lowered the valuation interest rate from 7.70% to 7.50% for all systems except LEOFF 2. For LEOFF 2 the valuation interest rate was lowered from 7.50% to 7.40%.
- Lowered the assumed general salary growth from 3.75% to 3.50% for all systems.
- Lowered assumed inflation from 3.00% to 2.75% for all systems.
- Modified how the valuation software calculates benefits paid to remarried duty-related death survivors of LEOFF 2 members.
- Updated the trend that the valuation software uses to project medical inflation for LEOFF 2 survivors of a duty-related death, and for certain LEOFF 2 medical-related duty disability benefits.

### **Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities).

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various time horizons.

**Estimated Rates of Return by Asset Class**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>% Long-Term Expected Real Rate of Return Arithmetic</b>
Fixed Income	20%	1.70%
Tangible Assets	7%	4.90%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	<b>100%</b>	

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

**Sensitivity of the Net Pension Liability/(Asset)**

The table below presents the Washington Counties Insurance Fund's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the Washington Counties Insurance Fund's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	<b>1% Decrease (6.4%)</b>	<b>Current Discount Rate (7.4%)</b>	<b>1% Increase (8.4%)</b>
PERS 1	\$267,563	\$217,719	\$174,544
PERS 2/3	\$491,076	\$107,362	(\$207,241)

**Pension Plan Fiduciary Net Position**

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2018, the Washington Counties Insurance Fund reported a total pension liability of \$325,081 for its proportionate share of the net pension liabilities as follows:

	<b>Liability (or Asset)</b>
PERS 1	\$217,719
PERS 2/3	\$107,362

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

At June 30, the Washington Counties Insurance Fund's proportionate share of the collective net pension liabilities was as follows:

	<b>Proportionate Share 6/30/17</b>	<b>Proportionate Share 6/30/18</b>	<b>Change in Proportion</b>
PERS 1	0.004961%	0.004875%	(0.000086)%
PERS 2/3	0.006382%	0.006288%	(0.000094)%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

**Pension Expense**

For the year ended December 31, 2018, the Washington Counties Insurance Fund recognized pension expense as follows:

	<b>Pension Expense</b>
PERS 1	\$ 14,766
PERS 2/3	\$ 96
TOTAL	\$ 14,862

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2018, the Washington Counties Insurance Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ (8,652)
Changes of assumptions	\$	\$
Changes in proportion and differences between contributions and proportionate share of contributions	\$	\$
Contributions subsequent to the measurement date	\$ 14,556	\$
<b>TOTAL</b>	<b>\$ 14,556</b>	<b>\$ (8,652)</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 13,160	\$ (18,797)
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ (65,822)
Changes of assumptions	\$ 1,255	\$ (30,553)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 2,076	\$ (5,910)
Contributions subsequent to the measurement date	\$ 21,448	
<b>TOTAL</b>	<b>\$ 37,939</b>	<b>\$ (121,143)</b>
<b>TOTAL OF ALL PLANS:</b>	<b>\$ 52,495</b>	<b>\$ (129,795)</b>

**WASHINGTON COUNTIES INSURANCE FUND**  
**MCAG NO. 0775**

**Notes to Financial Statements**  
**January 1, 2018 Through December 31, 2018**

Deferred outflows of resources related to pensions resulting from the Washington Counties Insurance Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>PERS 1</b>
2019	\$ 379
2020	\$ (1,891)
2021	\$ (5,676)
2022	\$ (1,464)
2023	\$
<b>TOTAL</b>	<b>\$ (8,652)</b>

<b>Year ended December 31:</b>	<b>PERS 2/3</b>
2019	\$ ( 9,614)
2020	\$ (22,688)
2021	\$ (41,182)
2022	\$ (15,789)
2023	\$ ( 6,383)
Thereafter	\$ ( 8,994)
<b>TOTAL</b>	<b>\$ (104,651)</b>

**REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans**

Washington Counties Insurance Fund  
Schedule of Proportionate Share of the Net Pension Liability  
PERS 1 UAAL  
As of June 30  
Last 10 Fiscal Years\*

	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.004875%	0.004961%	0.005039%	0.004952%
Employer's proportionate share of the net pension liability	\$ 217,719	\$ 235,403	\$ 270,618	\$ 259,036
TOTAL				
Covered payroll *	\$ 661,646	\$ 625,649	\$ 602,032	\$ 292,840
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	32.91%	37.63%	44.95%	88.46%
Plan fiduciary net position as a percentage of the total pension liability	61.24%	61.24%	57.03%	59.10%

PERS 2/3  
As of June 30  
Last 10 Fiscal Years\*

	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.006288%	0.006382%	0.006465%	0.006398%
Employer's proportionate share of the net pension liability	\$ 107,362	\$ 221,744	\$ 325,508	\$ 228,604
TOTAL				
Covered payroll *	\$ 661,646	\$ 625,649	\$ 602,032	\$ 292,840
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	16.23%	35.44%	54.07%	78.06%
Plan fiduciary net position as a percentage of the total pension liability	90.97%	90.97%	85.82%	89.20%

\*Until a full 10-year trend is compiled, governments should present information only for those years for which information is available

\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)



**REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans**

Washington Counties Insurance Fund  
Schedule of Employer Contributions  
PERS 1  
For the Year Ended December 31  
Last 10 Fiscal Years\*

	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 31,074	\$ 31,299	\$ 29,135	\$ 25,762
Contributions in relation to the statutorily or contractually required contributions*	\$ (31,074)	\$ (31,299)	\$ (29,135)	\$ (25,762)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll*	\$ 641,664	\$ 638,763	\$ 613,783	\$ 587,356
Contributions as a percentage of covered employee payroll	4.84%	4.90%	4.75%	4.39%

PERS 2/3  
For The Year Ended December 31  
Last 10 Fiscal Years\*

	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 46,044	\$ 43,819	\$ 38,052	\$ 33,078
Contributions in relation to the statutorily or contractually required contributions*	\$ (46,044)	\$ (43,819)	\$ (38,052)	\$ (33,078)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll*	\$ 641,664	\$ 638,763	\$ 613,783	\$ 587,356
Contributions as a percentage of covered employee payroll	7.18%	6.86%	6.20%	5.63%

\*Until a full 10-year trend is compiled, governments should present information only for those years for which information is available

\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par.5)

\* Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 contributions that fund the PERS 1 UAAL. Contributions do not include employer-paid member contributions (GASB 82, Par.8)

## ABOUT THE STATE AUDITOR'S OFFICE

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

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>