



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report
Douglas County Port District No. 1
(Port of Douglas County)

For the period January 1, 2018 through December 31, 2019

Published January 11, 2021

Report No. 1027599





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

January 11, 2021

Board of Commissioners
Port of Douglas County
East Wenatchee, Washington

Report on Financial Statements

Please find attached our report on Port of Douglas County's financial statements.

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

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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**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**

**Port of Douglas County
January 1, 2018 through December 31, 2019**

Board of Commissioners
Port of Douglas County
East Wenatchee, 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 Port of Douglas County, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Port's financial statements, and have issued our report thereon dated December 18, 2020.

We issued an unmodified opinion on the fair presentation of the Port'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 Port 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.

As discussed in Note 9 to the 2018 financial statements, during the year ended December 31, 2018, the Port adopted new accounting guidance for presentation and disclosure of postemployment benefits other than pensions, as required by the BARS Manual.

As discussed in Note 10 to the 2019 financial statements, in January 2020, the Port of Douglas County and the Port of Chelan County functionally consolidated all operations and formed the Chelan Douglas Regional Port Authority. The Port transferred operating activities to the Chelan Douglas Regional Port Authority on January 1, 2020.

As also discussed in Note 10 to the 2019 financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the Port.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Port'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port'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 Port'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 Port's financial statements are free from material misstatement, we performed tests of the Port'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 Port'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 Port'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 style with a large, sweeping initial "P".

Pat McCarthy

State Auditor

Olympia, WA

December 18, 2020

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Port of Douglas County January 1, 2018 through December 31, 2019

Board of Commissioners
Port of Douglas County
East Wenatchee, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Port of Douglas County, for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Port's financial statements, as listed on page 11.

Management's Responsibility 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 *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 Port'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 Port'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 opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, Port of Douglas County has prepared these financial statements to meet the financial reporting requirements of state law using 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 financial statements referred to above present fairly, in all material respects, the cash and investments of Port of Douglas County, and its changes in cash and investments, for the years ended December 31, 2019 and 2018, on the basis of accounting described in Note 1.

Basis for 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. The effects on the financial statements of the variances between GAAP and the accounting practices the Port used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

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 Port of Douglas County, as of December 31, 2019 and 2018, or the changes in financial position or cash flows thereof for the years then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

Matters of Emphasis

As discussed in Note 9 to the 2018 financial statements, during the year ended December 31, 2018, the Port adopted new accounting guidance for presentation and disclosure of postemployment benefits other than pensions, as required by the BARS Manual. Our opinion is not modified with respect to this matter.

As discussed in Note 10 to the 2019 financial statements, in January 2020, the Port of Chelan County and the Port of Douglas County functionally consolidated all operations and formed the Chelan Douglas Regional Port Authority. The Port transferred operating activities to the Chelan Douglas Regional Port Authority on January 1, 2020. Our opinion is not modified with respect to this matter.

As also discussed in Note 10 to the 2019 financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the Port. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. 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 taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020 on our consideration of the Port'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 Port's internal control over financial reporting and compliance.



Pat McCarthy
State Auditor
Olympia, WA

December 18, 2020

FINANCIAL SECTION

Port of Douglas County January 1, 2018 through December 31, 2019

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2019

Fund Resources and Uses Arising from Cash Transactions – 2018

Notes to the Financial Statements – 2019

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SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2019

Schedule of Liabilities – 2018

**Douglas County Port District No. 1
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019**

Beginning Cash and Investments

30810	Reserved	538,923
30880	Unreserved	413,848
388 / 588	Net Adjustments	-

Revenues

310	Taxes	1,029,199
320	Licenses and Permits	-
330	Intergovernmental Revenues	680,050
340	Charges for Goods and Services	861,671
350	Fines and Penalties	-
360	Miscellaneous Revenues	22,993
Total Revenues:		2,593,913

Expenditures

540	Transportation	1,863,187
Total Expenditures:		1,863,187
Excess (Deficiency) Revenues over Expenditures:		730,726

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	-
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	183,508
381, 382, 395, 398	Other Resources	1,800
Total Other Increases in Fund Resources:		185,308

Other Decreases in Fund Resources

594-595	Capital Expenditures	45,830
591-593, 599	Debt Service	802,105
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	61,974
581, 582	Other Uses	-
Total Other Decreases in Fund Resources:		909,909

Increase (Decrease) in Cash and Investments: 6,125

Ending Cash and Investments

5081000	Reserved	323,492
5088000	Unreserved	635,404
Total Ending Cash and Investments		958,896

**Douglas County Port District No. 1
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018**

Beginning Cash and Investments

30810	Reserved	502,161
30880	Unreserved	576,721
388 / 588	Prior Period Adjustments, Net	-

Revenues

310	Taxes	1,002,281
320	Licenses and Permits	-
330	Intergovernmental Revenues	327,120
340	Charges for Goods and Services	941,848
350	Fines and Penalties	-
360	Miscellaneous Revenues	18,132
Total Revenues:		2,289,381

Expenditures

540	Transportation	1,762,091
Total Expenditures:		1,762,091
Excess (Deficiency) Revenues over Expenditures:		527,290

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	291,552
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	197,583
381, 395, 398	Other Resources	6,775
Total Other Increases in Fund Resources:		495,910

Other Decreases in Fund Resources

594-595	Capital Expenditures	295,777
591-593, 599	Debt Service	778,718
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	74,816
Total Other Decreases in Fund Resources:		1,149,311

Increase (Decrease) in Cash and Investments: **(126,111)**

Ending Cash and Investments

5081000	Reserved	538,923
5088000	Unreserved	413,848
Total Ending Cash and Investments		952,771

The accompanying notes are an integral part of this statement.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Port of Douglas County (Port) was established in 1958 and operates under the laws of the State of Washington applicable to port districts.

The Port is a special purpose government entity which promotes economic development to the general public within Douglas County and is supported primarily through tax revenues collected by the County. The Port also supports movement of cargo and persons in and out of the area through its ownership (full or partial) of Waterville, Mansfield and Pangborn Memorial Airports.

The Port is governed by an elected three-member board.

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as “memo only” because any interfund activities are not eliminated. The following fund types are used:

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DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

General Fund

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

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 2.

D. Capital Assets

Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Compensated absences are absences for which employees will be paid. The Port recognizes personal leave benefits only when paid; although this practice does not conform to generally accepted accounting principles. But it is not material.

Personal leave may be accumulated up to 1,350 hours. Any hours above this limit shall be paid out at the end of the year. Employees may buy out unused personal leave from past year's accumulation at a rate equal to one hour's monetary compensation for each hour of accrued personal leave. Personal leave buy out can only occur for accrued time between 80 and 1,350 hours.

Upon termination of employment due to retirement, voluntary departure, layoffs, or death; an employee or an employee's estate may receive remuneration for unused paid leave at a rate equal to one hour's monetary compensation for each hour of accrued personal leave. All personal leave paid will be reported as wages for tax purposes.

F. Long-Term Debt

See Note 5, *Debt Service Requirements*.

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties. When expenditures that meet restrictions are incurred, the Port intends to use reserved resources first before using unreserved amounts.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Reservations of Ending Cash and Investments consist of \$323,492. This is a surety deposit in lieu of a bond from one tenant and funds held related to Contribution in Aid of Construction Agreements.

NOTE 2 – DEPOSITS AND INVESTMENTS

As required by state law, deposits and investments of the Port funds are obligations of the U.S. Government or deposits with Washington State banks and savings and loan institutions. The County is the treasurer for the Port and is responsible for the Port’s investments.

The financial statements of Douglas County outline the County Treasurer’s policy on investments.

Investments are reported at original cost.

As of December 31, 2019, the Port had the following investments:

<u>Type of Investment</u>	<u>Amount</u>
LGIP	\$ 323,492
Cash on Hand	635,404
Total	<u>\$ 958,896</u>

It is the Port’s policy to invest all temporary cash surpluses.

Investments in the State Local Government Investment Pool (LGIP)

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

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Port 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 Port’s deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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

NOTE 3 – PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed at the end of each month to the Port.

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

The Port regular levy for 2019 was \$0.175506 on an assessed valuation of \$5,846,549,891 for a total regular levy of \$1,026,104.

NOTE 4 – JOINT OPERATION - PANGBORN AIRPORT

The Pangborn Airport is jointly owned by the Port of Chelan and the Port of Douglas. The joint operating agreement was drafted in 2003 and became effective January 1, 2004. The agreement states that the Port of Chelan holds an undivided 61% interest and the Port of Douglas holds an undivided 39% interest in the airport.

In January of 2013 the Port of Douglas and Port of Chelan entered into a Memorandum of Understanding (MOU) for the purpose of documenting the common desire to negotiate an "Interlocal Agreement" defining their relationship regarding the operation and funding of Pangborn Memorial Airport and to outline the funding of and decision making for the Runway Extension Project. Pursuant to the MOU, the Port of Douglas was obligated to contribute 17% of its property taxes received (but not less than \$135,880) annually to help fund airport operations and capital improvements, to continue managing the CWICC building lease and the Pangborn Airport Business Park leases, and to enter into financing to pay for 30% of the local sponsor share of the Runway Extension Project in an amount not to exceed \$900,000 (the Port of Chelan was responsible for 70%, not to exceed \$2,100,000). Any payment by the Port of Douglas of its share of the Runway Extension Project Financing was credited to the 17% of annual property tax contribution.

Within the MOU, the Runway Extension Project Financing provided for separate revolving lines of credit, requiring interest only payments until project completion, for each port district's local sponsor share of the FAA funded project. Upon Project completion, each port district's separate financing would convert from an interest only instrument to a long-term loan with a term of 15 years and a variable interest rate. In late 2017, with the Runway Extension Project complete, the Port of Douglas refinanced this initial Runway Extension Project Financing with a Limited Tax General Obligation Refunding Bond in the amount of \$851,187, with a term of 15 years and a fixed interest rate of 3%. As of December 31, 2019, the amount outstanding related to this debt is \$763,573. See Schedule 9 for more information.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

At the end of calendar year 2017, the MOU expired and the Joint Operating Agreement from 2003 is again the governing document, with both port districts serving on the Airport Governing Board charged with operating Pangborn Memorial Airport.

NOTE 5 – LONG TERM DEBT

The accompanying Schedule of Long Debt (09) provides more details of the outstanding debt and liabilities of the Port and summarizes the Port’s debt transactions for the year ended December 31, 2019.

The debt service requirements for general obligation bonds, revenue bonds and notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2020	\$ 582,350	\$ 236,746	\$ 819,096
2021	590,501	224,649	815,150
2022	611,322	211,939	823,261
2023	619,643	197,954	817,597
2024	521,197	184,340	705,537
2025-2029	2,449,405	691,758	3,141,163
2030-2034	2,082,563	256,196	2,338,759
2034-2038	375,800	37,757	413,557
	<u>\$ 7,832,781</u>	<u>\$ 2,041,339</u>	<u>\$ 9,874,120</u>

NOTE 6 – PENSION PLANS

State Sponsored Pension Plans

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

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 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:

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2019 (the measurement date of the plans), the Port’s proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability
PERS 1	\$15,303	0.002134%	\$82,060
PERS 2/3	\$22,489	0.002754%	\$26,751

NOTE 7 – RISK MANAGEMENT

The Port 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, 2019, 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

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
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DECEMBER 31, 2019

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 \$1 billion 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.

NOTE 8 – CHELAN-DOUGLAS TRANSPORTATION COUNCIL

In 2015 the Port approved an interlocal cooperation agreement establishing the Chelan-Douglas Transportation Council as the 'Metropolitan Planning Organization' and 'Regional Transportation Planning Organization' for the two-county area of Chelan and Douglas Counties.

The interlocal cooperation agreement is made by and among Chelan County, Douglas County, City of Bridgeport, City of Cashmere, City of Chelan, City of East Wenatchee, City of Entiat, City of Leavenworth, City of Rock Island, City of Wenatchee, Town of Mansfield, Town of Waterville, Port of Douglas County, Port of Chelan County, Chelan-Douglas Public Transit Benefit Area (Link), and the Washington State Department of Transportation (WSDOT).

Dues to cover expenses shall be assessed to the members based on the bylaws of the Chelan-Douglas Transportation Council.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

The Port administers a Post-Retirement Health Care Program under a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. This plan is administered by the Health Care Authority (HCA) per RCW 41.05.065, the Public Employees Benefits Board (PEBB) created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. PEBB programs include medical, dental, life and long-term disability. Benefits are offered to retirees at a subsidized rate.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

The benefits are provided in accordance with a substantive plan, in which the plan terms are understood by the employers and plan member, but not formalized in a contract or plan document. The PEBB retiree OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong.

At December 31, 2019, the following employees were covered by the benefit terms:

		<u>Total</u>	
Inactive employees or beneficiaries currently receiving benefits		1	
Active employees/members		<u>7</u>	
	Total	<u><u>8</u></u>	

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

The Port reported no expenditures for OPEB for the calendar year 2019.

NOTE 10 – OTHER DISCLOSURES

Contingency

The Port participates in a number of federal, state and locally assisted programs. The grants the Port receives under these programs are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowances, if any, will be immaterial.

The Port is at times a defendant in various legal actions and claims which arise during the normal course of business. In the opinion of management, the outcomes of these matters are either adequately covered by insurance or would not materially affect the financial statements.

Construction Commitments

There were no constructions commitments outstanding at December 31, 2019.

Related Parties

In 1982, the Port created the Douglas County Development Corporation. The Douglas County Port Commissioners also serve as the Development Corporation Board of Directors. The Douglas County Development Corporation, a public corporation, is authorized by the Washington State Legislature to facilitate the issuance of tax-exempt revenue bonds to finance industrial development projects within Douglas County. There are no such bonds currently outstanding.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

The Port of Chelan County entered into an Interlocal Agreement with Port of Douglas, to participate in the cost of the sewer improvement to the airport in 2005, in the amount of \$73,531. The Port of Chelan County pays Port of Douglas \$3,870, annually, until 2023.

Subsequent Events

On June 11, 2019, the Port of Chelan County and Port of Douglas County signed an Interlocal Cooperation Agreement functionally consolidating finances, management, and operations into one governing body – the Chelan Douglas Regional Port Authority, effective as of January 1, 2020. Through the creation of the Chelan Douglas Regional Port Authority, the Port Commissions of both Port Districts will join together to create the Board of Directors. Financially, the consolidation will allow the organization to think and act regionally. Joining efforts will also allow resources, both internally and externally, to be utilized in the best capacity. Douglas County has available land to be developed. Port of Chelan County came into the partnership with a strong financial base, but little available land. Both individual Port Districts will still exist in order to collect tax revenues and extinguish existing debt, with all operating activities being managed by the Regional Port Authority.

In February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, and limiting gathering sizes. Management has implemented measures to comply with the requirements of the Governor's declaration and has put into place cost control measures to try to limit the financial impact. The length of time these measures will be in place, and the full extent of the financial impact on the District, is unknown at this time.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Port of Douglas County (Port) was established in 1958 and operates under the laws of the State of Washington applicable to port districts.

The Port is a special purpose government entity which promotes economic development to the general public within Douglas County and is supported primarily through tax revenues collected by the County. The Port also supports movement of cargo and persons in and out of the area through its ownership (full or partial) of Waterville, Mansfield and Pangborn Memorial Airports.

The Port is governed by an elected three-member board.

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as “memo only” because any interfund activities are not eliminated. The following fund types are used:

General Fund

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

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

C. Cash and Investments

See Note 2.

D. Capital Assets

Capital assets and inventory are recorded as capital expenditures when purchased.

The Port has not adopted a policy for capitalization threshold. Assets that have a life of more than one year are considered capital.

E. Compensated Absences

The Port adopted a Personal Leave Policy effective January 1, 2007, which superseded the Attendance and Leave Policy of August 17, 1998.

Compensated absences are absences for which employees will be paid. The Port recognizes personal leave benefits only when paid; although this practice does not conform to generally accepted accounting principles. But it is not material.

Personal leave may be accumulated up to 1,350 hours. Any hours above this limit shall be paid out at the end of the year. Employees may buy out unused personal leave from past year's accumulation at a rate equal to one hour's monetary compensation for each hour of accrued personal leave. Personal leave buy out can only occur for accrued time between 80 and 1,350 hours.

Upon termination of employment due to retirement, voluntary departure, layoffs, or death; an employee or an employee's estate may receive remuneration for unused paid leave at a rate equal to one hour's monetary compensation for each hour of accrued personal leave. All personal leave paid will be reported as wages for tax purposes.

F. Long-Term Debt

See Note 5, *Debt Service Requirements*.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties. When expenditures that meet restrictions are incurred, the Port intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of \$538,923. This is a surety deposit in lieu of a bond from one tenant and funds held related to Contribution in Aid of Construction Agreements.

NOTE 2 – DEPOSITS AND INVESTMENTS

As required by state law, deposits and investments of the Port funds are obligations of the U.S. Government or deposits with Washington State banks and savings and loan institutions. The County is the treasurer for the Port and is responsible for the Port's investments.

The financial statements of Douglas County outline the County Treasurer's policy on investments.

Investments are reported at original cost.

As of December 31, 2018, the Port had the following investments:

<u>Type of Investment</u>	<u>Amount</u>
LGIP	\$ 875,516
Cash on hand	77,155
Petty Cash	100
Total	\$ 952,771

NOTE 3 – PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed at the end of each month to the Port.

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

The Port regular levy for 2018 was \$0.183235 on an assessed valuation of \$5,442,637,929 for a total regular levy of \$997,282.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 – JOINT OPERATION - PANGBORN AIRPORT

The Pangborn Airport is jointly owned by the Port of Chelan and the Port of Douglas. The joint operating agreement was drafted in 2003 and became effective January 1, 2004. The agreement states that the Port of Chelan holds an undivided 61% interest and the Port of Douglas holds an undivided 39% interest in the airport.

In January of 2013 the Port of Douglas and Port of Chelan entered into a Memorandum of Understanding (MOU) for the purpose of documenting the common desire to negotiate an “Interlocal Agreement” defining their relationship regarding the operation and funding of Pangborn Memorial Airport and to outline the funding of and decision making for the Runway Extension Project. Pursuant to the MOU, the Port of Douglas was obligated to contribute 17% of its property taxes received (but not less than \$135,880) annually to help fund airport operations and capital improvements, to continue managing the CWICC building lease and the Pangborn Airport Business Park leases, and to enter into financing to pay for 30% of the local sponsor share of the Runway Extension Project in an amount not to exceed \$900,000 (the Port of Chelan was responsible for 70%, not to exceed \$2,100,000). Any payment by the Port of Douglas of its share of the Runway Extension Project Financing was credited to the 17% of annual property tax contribution.

Within the MOU, the Runway Extension Project Financing provided for separate revolving lines of credit, requiring interest only payments until project completion, for each port district’s local sponsor share of the FAA funded project. Upon Project completion, each port district’s separate financing would convert from an interest only instrument to a long-term loan with a term of 15 years and a variable interest rate. In late 2017, with the Runway Extension Project complete, the Port of Douglas refinanced this initial Runway Extension Project Financing with a Limited Tax General Obligation Refunding Bond in the amount of \$851,187, with a term of 15 years and a fixed interest rate of 3%. As of December 31, 2018, the amount outstanding related to this debt is \$808,848. See Schedule 9 for more information.

At the end of calendar year 2017, the MOU expired and the Joint Operating Agreement from 2003 is again the governing document, with both port districts serving on the Airport Governing Board charged with operating Pangborn Memorial Airport.

NOTE 5 – LONG TERM DEBT

The accompanying Schedule of Long Debt (09) provides more details of the outstanding debt and liabilities of the Port and summarizes the Port’s debt transactions for the year ended December 31, 2018.

The debt service requirements for general obligation bonds, revenue bonds and notes payable are as follows:

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2019	\$ 554,282	\$ 247,579	\$ 801,861
2020	582,350	236,746	819,096
2021	590,501	224,649	815,150
2022	611,322	211,939	823,261
2023	619,643	197,954	817,597
2024-2028	2,453,184	771,552	3,224,736
2029-2033	2,301,874	337,987	2,639,861
2034-2038	660,954	37,757	698,711
	<u>\$ 8,374,110</u>	<u>\$ 2,266,163</u>	<u>\$ 10,640,273</u>

NOTE 6 – PENSION PLANS

State Sponsored Pension Plans

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

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 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

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2018 (the measurement date of the plans), the Port’s proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

	Employer Contributions	Allocation %	Liability
PERS 1	\$14,734	0.002147%	\$95,886
PERS 2/3	\$21,825	0.002769%	\$47,278

NOTE 7 – RISK MANAGEMENT

The Port 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. Enduris was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW. Two (2) counties and two (2) 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, 2018, there are 549 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 Enduris and share in the self-insured retention of the jointly purchased excess and/or reinsurance coverage. 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 \$1 billion per occurrence. Enduris offers crime coverage up to a limit of \$1 million per occurrence.

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

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

The contract requires members to continue membership for a period of not less than one (1) 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 Enduris and are administered in house.

A Board of Directors consisting of seven (7) board members governs Enduris. 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 limits in the last three years.

NOTE 8 – CHELAN-DOUGLAS TRANSPORTATION COUNCIL

In 2015 the Port approved an interlocal cooperation agreement establishing the Chelan-Douglas Transportation Council as the 'Metropolitan Planning Organization' and 'Regional Transportation Planning Organization' for the two-county area of Chelan and Douglas Counties.

The interlocal cooperation agreement is made by and among Chelan County, Douglas County, City of Bridgeport, City of Cashmere, City of Chelan, City of East Wenatchee, City of Entiat, City of Leavenworth, City of Rock Island, City of Wenatchee, Town of Mansfield, Town of Waterville, Port of Douglas County, Port of Chelan County, Chelan-Douglas Public Transit Benefit Area (Link), and the Washington State Department of Transportation (WSDOT).

Dues to cover expenses shall be assessed to the members based on the bylaws of the Chelan-Douglas Transportation Council.

NOTE 9 – OPEB

During the year ended December 31, 2018, the Port adopted guidance for the presentation and disclosure of post-employment benefits other than pensions, as required by the BARS manual. This requirement resulted in no accrual of liabilities on the cash basis financial statements. See below for required disclosures.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

The Port administers a Post-Retirement Health Care Program under a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. This plan is administered by the Health Care Authority (HCA) per RCW 41.05.065, the Public Employees Benefits Board (PEBB) created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. PEBB programs include medical, dental, life and long-term disability. Benefits are offered to retirees at a subsidized rate.

The benefits are provided in accordance with a substantive plan, in which the plan terms are understood by the employers and plan member, but not formalized in a contract or plan document. The PEBB retiree OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong.

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Active employees/members	7
Total	8

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

The Port reported no expenditures for OPEB for the calendar year 2018.

NOTE 10 – Other Disclosures

Contingency

The Port participates in a number of federal, state and locally assisted programs. The grants the Port receives under these programs are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowances, if any, will be immaterial.

The Port is at times a defendant in various legal actions and claims which arise during the normal course of business. In the opinion of management, the outcomes of these matters are either adequately covered by insurance or would not materially affect the financial statements.

PORT OF DOUGLAS COUNTY
DOUGLAS COUNTY WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

Related Parties

In 1982, the Port created the Douglas County Development Corporation. The Douglas County Port Commissioners also serve as the Development Corporation Board of Directors. The Douglas County Development Corporation, a public corporation, is authorized by the Washington State Legislature to facilitate the issuance of tax-exempt revenue bonds to finance industrial development projects within Douglas County. There are no such bonds currently outstanding. The Douglas County Development Corporation had no activity during 2018, with assets that consist of a bank account holding \$32,608 as a beginning and ending balance.

Restatement

The Port has restated its beginning Cash and Investments balance to conform to current year presentation. In the prior year, all Cash and Investments, \$1,078,882, were presented as unreserved. This has been restated based on a review of contracts that required certain funds to be reserved, and not available for normal course of operations. The restatement is as followed:

Reserved – Restated:	\$ 502,161
Unreserved – Restated:	576,721
	<u>\$1,078,882</u>

**Douglas County Port District No. 1
Schedule of Liabilities
For the Year Ended December 31, 2019**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	CERB Loan - PABP Phase II	1/31/2032	908,067	-	54,971	853,096
263.83	Loan Payable-DC Sewer District	7/1/2021	22,240	-	7,414	14,826
263.83	Loan Payable-DC Sewer District	7/1/2023	409,273	-	81,854	327,419
251.11	LTGO Bond 2011 Refunded-PABP	12/1/2031	1,075,000	-	-	1,075,000
251.11	LTGO Bond 2016 - 3310 Bldg	12/1/2035	3,595,000	-	160,000	3,435,000
251.11	LTGO & Ref Bonds 2011 - USFS	7/1/2023	510,000	-	95,000	415,000
251.11	N Cascades Bank - RW Extension	6/1/2033	808,848	-	45,275	763,573
263.81	CERB Loan - S Billingsley Dr	7/31/2038	132,500	-	5,730	126,770
263.81	CERB Loan - S Billingsley North Dr	7/31/2038	291,552	-	8,839	282,713
Total General Obligation Debt/Liabilities:			7,752,480	-	459,083	7,293,397
Revenue and Other (non G.O.) Debt/Liabilities						
263.86	Loan Payable-DC PUD, Salcido CIAC #1	6/1/2024	52,780	-	9,795	42,985
263.86	Loan Payable-DC PUD, Salcido CIAC #2	12/1/2025	568,847	-	82,243	486,604
264.30	OPEB		353,585	71,993	-	425,578
264.30	Pension Liability		143,164	-	34,353	108,811
259.12	Outstanding Balance Compensated Absences		53,576	-	37,677	15,899
Total Revenue and Other (non G.O.) Debt/Liabilities:			1,171,952	71,993	164,068	1,079,877
Total Liabilities:			8,924,432	71,993	623,151	8,373,274

**Douglas County Port District No. 1
Schedule of Liabilities
For the Year Ended December 31, 2018**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	CERB Loan - PABP Phase II	1/31/2032	961,697	-	53,630	908,067
263.83	Loan Payable-DC Sewer District	7/1/2021	29,654	-	7,414	22,240
263.83	Loan Payable-DC Sewer District	7/1/2023	491,127	-	81,854	409,273
251.41	LTGO Bond 2011 Refunded-PABP	12/1/2031	1,075,000	-	-	1,075,000
251.41	LTGO Bond 2016 - 3310 Bldg	12/1/2035	3,755,000	-	160,000	3,595,000
251.41	LTGO & Ref Bonds 2011 - USFS	7/1/2023	600,000	-	90,000	510,000
251.11	N Cascades Bank - RW Extension	6/1/2033	851,187	-	42,339	808,848
Total General Obligation Debt/Liabilities:			7,763,665	-	435,237	7,328,428
Revenue and Other (non G.O.) Debt/Liabilities						
263.84	CERB Loan - S Billingsley Dr	7/31/2038	132,500	-	-	132,500
263.84	CERB Loan - S Billingsley North Dr	7/31/2038	291,552	-	-	291,552
263.86	Loan Payable-DC PUD, Salcido CIAC #1	6/1/2024	62,575	-	9,795	52,780
263.86	Loan Payable-DC PUD, Salcido CIAC #2	12/1/2025	651,090	-	82,243	568,847
264.30	Pension Liability		201,877	-	58,713	143,164
259.12	Outstanding Balance Compensated Absences		44,473	9,103	-	53,576
Total Revenue and Other (non G.O.) Debt/Liabilities:			1,092,515	300,655	150,751	1,242,419
Total Liabilities:			8,856,180	300,655	585,988	8,570,847

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	PublicRecords@sao.wa.gov
Main telephone	(564) 999-0950
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov