



Office of the Washington State Auditor  
Pat McCarthy

# **Financial Statements Audit Report**

## **Consolidated Irrigation District No. 19**

**For the period January 1, 2019 through December 31, 2021**

*Published November 10, 2022*

Report No. 1031352



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

November 10, 2022

Board of Directors  
Consolidated Irrigation District No. 19  
Greenacres, Washington

**Report on Financial Statements**

Please find attached our report on Consolidated Irrigation District No. 19's financial statements.

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

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy, State Auditor  
Olympia, WA

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## INDEPENDENT AUDITOR'S REPORT

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

#### **Consolidated Irrigation District No. 19 January 1, 2019 through December 31, 2021**

Board of Directors  
Consolidated Irrigation District No. 19  
Greenacres, 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 Consolidated Irrigation District No. 19, as of and for the years ended December 31, 2021, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 19, 2022.

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

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

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

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

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

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

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

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

## **PURPOSE OF THIS REPORT**

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

October 19, 2022

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Consolidated Irrigation District No. 19 January 1, 2019 through December 31, 2021**

Board of Directors  
Consolidated Irrigation District No. 19  
Greenacres, Washington

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

### **Unmodified and Adverse Opinions**

We have audited the financial statements of Consolidated Irrigation District No. 19, as of and for the years ended December 31, 2021, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of Consolidated Irrigation District No. 19, and its changes in cash and investments, for the years ended December 31, 2021, 2020 and 2019, on the basis of accounting described in Note 1.

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

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Consolidated Irrigation District No. 19, as of December 31, 2021, 2020 and 2019, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

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

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

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

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

## **Matters of Emphasis**

As discussed in Note 7 to the 2021 and 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown. Management's plans in response to this matter are also described in Note 7. Our opinion is not modified with respect to this matter.

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

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

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



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

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

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

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

## Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedule 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 October 19, 2022 on our consideration of the District's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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Pat McCarthy, State Auditor

Olympia, WA

October 19, 2022

## **FINANCIAL SECTION**

### **Consolidated Irrigation District No. 19 January 1, 2019 through December 31, 2021**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2021  
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Schedule of Liabilities – 2019

**Consolidated Irrigation District No. 19**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	20,355,904
388 / 588	Net Adjustments	-

**Revenues**

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	3,817,993
350	Fines and Penalties	9,057
360	Miscellaneous Revenues	243,647
Total Revenues:		4,070,697

**Expenditures**

510	General Government	-
520	Public Safety	-
530	Utilities	2,070,927
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,070,927
Excess (Deficiency) Revenues over Expenditures:		1,999,770

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	464,209
Total Other Increases in Fund Resources:		464,209

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	484,716
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	72,753
Total Other Decreases in Fund Resources:		557,469

**Increase (Decrease) in Cash and Investments: 1,906,510**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	22,262,412
50891	Unassigned	-
<b>Total Ending Cash and Investments</b>		<b>22,262,412</b>

**Consolidated Irrigation District No. 19**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2020**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	18,493,983
388 / 588	Net Adjustments	-

**Revenues**

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	3,541,635
350	Fines and Penalties	8,742
360	Miscellaneous Revenues	369,034
Total Revenues:		3,919,411

**Expenditures**

510	General Government	-
520	Public Safety	-
530	Utilities	2,457,305
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,457,305
Excess (Deficiency) Revenues over Expenditures:		1,462,106

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	557,236
Total Other Increases in Fund Resources:		557,236

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	96,909
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	60,512
Total Other Decreases in Fund Resources:		157,421

**Increase (Decrease) in Cash and Investments: 1,861,921**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	20,355,904
50891	Unassigned	-
<b>Total Ending Cash and Investments</b>		<b>20,355,904</b>

**Consolidated Irrigation District No. 19**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2019**

**Beginning Cash and Investments**

30810	Reserved	-
30880	Unreserved	17,030,873
388 / 588	Net Adjustments	-

**Revenues**

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	3,451,904
350	Fines and Penalties	20,448
360	Miscellaneous Revenues	471,672
Total Revenues:		3,944,024

**Expenditures**

510	General Government	-
520	Public Safety	-
530	Utilities	1,965,900
540	Transportation	-
550	Natural and Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		1,965,900
Excess (Deficiency) Revenues over Expenditures:		1,978,124

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	11,036
381, 382, 395, 398	Other Resources	283,672
Total Other Increases in Fund Resources:		294,708

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	713,921
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	61,137
581, 582	Other Uses	34,664
Total Other Decreases in Fund Resources:		809,722

**Increase (Decrease) in Cash and Investments: 1,463,110**

**Ending Cash and Investments**

5081000	Reserved	-
5088000	Unreserved	18,493,983
<b>Total Ending Cash and Investments</b>		<b>18,493,983</b>

**Consolidated Irrigation District 19**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Consolidated Irrigation District 19 was incorporated on February 14, 1961 and operates pursuant to Title 87, under the laws of the state of Washington applicable to irrigation districts. Consolidated Irrigation District 19 is a special purpose local government and provides water utility services.

Consolidated Irrigation District 19 reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

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

A. Fund Accounting

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

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

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, *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000.00 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

#### E. Compensated Absences

Vacation leave may be accumulated indefinitely and is payable upon separation or retirement. Sick leave may be accumulated up to 200 days. Upon separation or retirement employees receive 50% of unused sick leave. Payments are recognized as expenditures when paid.

### **NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the District's policy to invest all reserves and temporary cash surpluses. The interest on these investments is recorded in the enterprise fund. All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered, or held by the District or its agent in the District's name.

In accordance with State law, the district's governing body has a formal interlocal agreement with the district's *ex officio* treasurer, Spokane County, to have all its funds not required for immediate expenditure to be invested in the Spokane County Investment Pool (SCIP). The District is an involuntary participant in the Spokane County Investment Pool, an external investment pool operated by the Spokane County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the Spokane County Finance Committee in accordance with RCW 36.48.070. The District reports its investment in the pool at fair value, which is the difference between the reported amount and the value of pool shares. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

Type of Deposit/Investment	As of December 31, 2021 the District's Deposits/Investments were	Fair Value 99.582	Effective Duration	Weighted-Average Maturity
First Interstate Bank	93,069.88			
SCIP Surplus Fund	19,953,373.11	19,869,968.01		
SCIP Expense Fund	<u>2,222,340.17</u>	<u>2,213,050.79</u>		
Total	22,268,783.16	22,175,699.65	1.49 years	1.52 years
<b>Outstanding Checks</b>	<b>6,371.54</b>			
Reported to SAO	22,262,411.62			

**Interest Rate Risk.** As of December 31, 2019, the Pool's effective duration was 1.49 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average maturity, no longer than two and one-half years. The weighted-average maturity of SCIP on 12/31/19 was 1.52 years. While the Pool's market value is calculated monthly, unrealized gains and losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

**Credit Risk.** As of December 31, 2019, the district's investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, the SCIP Investment Policy authorizes investments in U.S. Treasury securities, U.S. agency securities, supranational institution obligations, municipal securities, certificates of deposits or bank deposits of qualified public depositories, repurchase agreements, corporate notes, commercial paper, Direct District Notes and the Local Government Investment Pool managed by the Washington State Treasurer's office.



### **NOTE 3 – WATER ASSESSMENTS**

The county treasurer acts as an agent to collect water assessments levied in the county for all taxing authorities. Collections are distributed at the end of each month. Delinquent assessments are considered fully collectible because a lien affixes to the property after tax is levied.

### **NOTE 4 – PENSON PLANS**

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

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

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](http://www.drs.wa.gov).

On June 30, 2021 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan	DRS-Schedule of Employer and Nonemployer Allocations		DRS-Schedule of Collective Pension Amounts - <b>2021</b>	Ending Balance 12/31/2021
	Employer Contributions	Allocation Percentage*		
PERS 1	\$ 31,523	0.004232%		
			1,221,234,000	51,683
	31,523.00		<i>Total Net Pension Liability (Schedule 09)</i>	51,683
PERS 2/3	\$ 51,460	0.005432%		
			(9,961,609,000)	(541,115)
			<i>Net Pension Assets (do not net with the liabilities)</i>	(541,115)

### **NOTE 5 - RISK MANAGEMENT**

Consolidated Irrigation District 19 is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-

insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **As of November 30, 2021, membership includes 192 members in the program.** The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, Crime Protection and Liability, including General, Automobile, Wrongful Acts, and Cyber, which are included to fit the member's various needs. The program acquires liability insurance through their administrator, Clear Risk Solutions, which is subject to a per occurrence **self-insured retention (SIR) of \$100,000.** Members are responsible for a \$1,000 to \$10,000 deductible for each claim (can vary by member), while the program is responsible for the **\$100,000 SIR.** Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the \$100,000 SIR, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$3,505,566,** which is fully funded in its annual budget. Property insurance is subject to a per occurrence **SIR of \$100,000.** Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the **\$100,000 SIR,** in addition to the deductible. Crime insurance is subject to a per occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the \$25,000 SIR, in addition to the deductible. Equipment Breakdown insurance is subject to a per occurrence deductible of \$2,500 (cities and special districts) and \$500 (fire districts), which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program SIR on this coverage, with the exception of Pumps & Motors, which is \$15,000 and is covered by CIAW. Cyber liability insurance is subject to a per-occurrence **SIR of \$50,000.** Members are responsible for a \$10,000 deductible for each claim, while the program is responsible for the remaining **\$40,000 SIR.** Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement. The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending **December 1, 2021, were \$2,772,986.77.** A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

#### **NOTE 6 - OTHER POST EMPLOYMENT BENEFITS**

Consolidated Irrigation District 19 is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. Consolidated Irrigation District 19 had 9 active plan members and 1 retired plan member as of June 30, 2021. As of June 30, 2021, the District's total OPEB liability was \$304,113 as calculated using the alternative measurement method. The District contributed (\$62,830) to the plan for the year ended June 30, 2021.

## **NOTE 7: - COVID 19 PANDEMIC**

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

The District proactively implemented safety measures, and operations have continued with all staff working in person 95% of the time. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. To date, the District has not experienced any direct financial impacts due to the pandemic. The length of time these measure will continue to be in place, and the full extent of the direct or indirect financial impact on the District is unknown at this time.

In response to the pandemic, District facilities have been closed to the public during the state of emergency, and new procedures have been put in place. While some activities have been limited or temporarily curtailed, the District continues to operate all major functions and meet its public mandates. The District has remained economically stable and continues to adapt to the changing conditions.

**Consolidated Irrigation District 19**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Consolidated Irrigation District 19 was incorporated on February 14, 1961 and operates pursuant to Title 87, under the laws of the state of Washington applicable to irrigation districts. Consolidated Irrigation District 19 is a special purpose local government and provides water utility services.

Consolidated Irrigation District 19 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. The following fund types are used:

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

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, *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000.00 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated indefinitely and is payable upon separation or retirement. Sick leave may be accumulated up to 200 days. Upon separation or retirement employees receive 50% of unused sick leave. Payments are recognized as expenditures when paid.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the District's policy to invest all reserves and temporary cash surpluses. The interest on these investments is recorded in the enterprise fund. All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered, or held by the District or its agent in the District's name.

In accordance with State law, the district's governing body has a formal interlocal agreement with the district's *ex officio* treasurer, Spokane County, to have all its funds not required for immediate expenditure to be invested in the Spokane County Investment Pool (SCIP). The District is an involuntary participant in the Spokane County Investment Pool, an external investment pool operated by the Spokane County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the Spokane County Finance Committee in accordance with RCW 36.48.070. The District reports its investment in the pool at fair value, which is the difference between the reported amount and the value of pool shares. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

Type of Deposit / Investment	As of December 31, 2020 the District's Deposit/Investment were	Fair Value 1.0109	Effective Duration	Weighted-Average Maturity
First Interstate Bank	51,871.96			
SCIP Surplus Fund	19,760,382.12	19,975,770.29		
SCIP Expense Fund	544,510.82	550,445.99		
Total	20,356,764.90	20,578,653.64	1.07 years	1.10 years
Outstanding Checks Reported to SAO	860.58 20,355,904.32			

**Interest Rate Risk.** As of December 31, 2019, the Pool's effective duration was 1.07 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average maturity, no longer than two and one-half years. The weighted-average maturity of SCIP on 12/31/19 was 1.10 years. While the Pool's market value is calculated monthly, unrealized gains and losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

**Credit Risk.** As of December 31, 2019, the district's investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, the SCIP Investment Policy authorizes investments in U.S. Treasury securities, U.S. agency securities, supranational institution obligations, municipal securities, certificates of deposits or bank deposits of qualified public depositories, repurchase agreements, corporate notes, commercial paper, Direct District Notes and the Local Government Investment Pool managed by the Washington State Treasurer's office.

### **NOTE 3 – WATER ASSESSMENTS**

The county treasurer acts as an agent to collect water assessments levied in the county for all taxing authorities. Collections are distributed at the end of each month. Delinquent assessments are considered fully collectible because a lien affixes to the property after tax is levied.

### **NOTE 4 – PENSON PLANS**

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

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

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](http://www.drs.wa.gov).

On June 30, 2020 (the measurement date of the plans), the District's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan	DRS-Schedule of Employer and Non- employer Allocations		DRS-Schedule of Collective Pension Amounts - <b>2020</b>	<b>Ending Balance 12/31/2020</b>
	Employer Contributions	Allocation Percentage*		
PERS 1	\$ 29,798	0.004111%	3,530,540,000	145,140
PERS 2/3	\$ 49,580	0.005382%	1,278,943,000	68,833
	79,377.70		<i>Total Net Pension Liability (Schedule 09)</i>	<u>213,973</u>

### **NOTE 5 - RISK MANAGEMENT**

Consolidated Irrigation District 19 is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may

individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **As of December 1, 2020, there are 193 members in the program.** The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property; including Automobile Comprehensive and Collision, Equipment Breakdown, and Crime Protection and Liability; including General, Automobile, and Wrongful Acts, which are included to fit member's various needs. The program acquires liability insurance through their administrator, Clear Risk Solutions, which is subject to a per occurrence self-insured retention (SIR) of \$100,000, with the exception of Wrongful Acts and Law Enforcement Liability, which have a self-insured retention of \$25,000. Members are responsible for a \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the \$100,000 retention. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the \$100,000 of the self-insured retention, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$2,147,814**

Property insurance is subject to a per occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self-insured retention, in addition to the deductible. Privacy and Network Liability coverage is offered with a \$10,000 member deductible and \$40,000 self-insured retention for systems using encryption and \$50,000-member deductible and \$50,000 self-insured retention for those without encryption. Equipment Breakdown insurance is subject to a per occurrence deductible of \$2,500, which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage, with the exception of Pumps & Motors, which is \$15,000 and is covered by CIAW. Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement. A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claim adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending **December 1, 2020 were \$2,651,954.**

#### **NOTE 6 - OTHER POST EMPLOYMENT BENEFITS**

Consolidated Irrigation District 19 is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. Consolidated Irrigation District 19 had 9 active plan members and 1 retired plan member as of June 30, 2020. As of June 30, 2020, the District's total OPEB liability was \$366,943 as calculated using the alternative measurement method. The District contributed \$97,417 to the plan for the year ended June 30, 2020.

## **NOTE 7: - COVID 19 PANDEMIC**

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

The District proactively implemented safety measures, and operations have continued with all staff working in person 95% of the time. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. To date, the District has not experienced any direct financial impacts due to the pandemic. The length of time these measure will continue to be in place, and the full extent of the direct or indirect financial impact on the District is unknown at this time

In response to the pandemic, District facilities have been closed to the public during the state of emergency, and new procedures have been put in place. While some activities have been limited or temporarily curtailed, the District continues to operate all major functions and meet its public mandates. The District has remained economically stable and continues to adapt to the changing conditions.



**Consolidated Irrigation District 19**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Consolidated Irrigation District 19 was incorporated on February 14, 1961 and operates pursuant to Title 87, under the laws of the state of Washington applicable to irrigation districts. Consolidated Irrigation District 19 is a special purpose local government and provides water utility services.

Consolidated Irrigation District 19 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.
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- 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. The following fund types are used:

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

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, *Deposits and Investments*.

**D. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5000.00 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

**E. Compensated Absences**

Vacation leave may be accumulated indefinitely and is payable upon separation or retirement. Sick leave may be accumulated up to 200 days. Upon separation or retirement employees receive 50% of unused sick leave. Payments are recognized as expenditures when paid.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the District's policy to invest all reserves and temporary cash surpluses. The interest on these investments is recorded in the enterprise fund. All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered, or held by the District or its agent in the District's name.

In accordance with State law, the district's governing body has a formal interlocal agreement with the district's *ex officio* treasurer, Spokane County, to have all its funds not required for immediate expenditure to be invested in the Spokane County Investment Pool (SCIP). The District is an involuntary participant in the Spokane County Investment Pool. The pool is not rated or registered with the SEC. Rather, oversight is provided by the Spokane County Finance Committee in accordance with RCW 36.48.070. The District reports its investment in the pool at fair value, which is the difference between the reported amount and the value of pool shares. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

<u>Spokane County Investment Pool</u>				
Type of Deposit / Investment	As of December 31, 2029 the District's Deposit/Investment were	Fair Value	Effective Duration	Weighted-Average Maturity
First Interstate Bank	51,493.43			
SCIP Surplus Fund	17,044,151.47	17,187,322.34	1.10 years	1.15 years
SCIP Expense Fund	1,401,124.99	1,412,894.44		
Total	18,496,769.89	18,652,142.76		
Outstanding Checks Reported to SAO	2,787.35			
	18,493,982.54			

**Interest Rate Risk.** As of December 31, 2019, the Pool's effective duration was 1.10 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average maturity, no longer than two and one-half years. The weighted-average maturity of SCIP on 12/31/19 was 1.15 years. While the Pool's market value is calculated monthly, unrealized gains and losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

**Credit Risk.** As of December 31, 2019, the district's investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, the SCIP Investment Policy authorizes investments in U.S. Treasury securities, U.S. agency securities, supranational institution obligations, municipal securities, certificates of deposits or bank deposits of qualified public depositories, repurchase agreements, corporate notes, commercial paper, Direct District Notes and the Local Government Investment Pool managed by the Washington State Treasurer's office.

### **NOTE 3 – WATER ASSESSMENTS**

The county treasurer acts as an agent to collect water assessments levied in the county for all taxing authorities. Collections are distributed at the end of each month. Delinquent assessments are considered fully collectible because a lien affixes to the property after tax is levied.

### **NOTE 4 – PENSON PLANS**

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

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

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](http://www.drs.wa.gov).

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

Plan	DRS-Schedule of Employer and Non-employer Allocations		DRS-Schedule of Collective Pension Amounts - <b>2019</b>	<b>Ending Balance 12/31/2019</b>
	Employer Contributions	Allocation Percentage *		
PERS 1 UAAL <i>(combine with PERS 1 for reporting)</i>	\$ 28,237	0.003938%	3,845,355,000	151,430
PERS 2/3	\$ 41,498	0.005081%	3,845,355,000	49,354
	69,734.80		<i>Total Net Pension Liability (Schedule 09)</i>	200,784

### **NOTE 5 - RISK MANAGEMENT**

Consolidated Irrigation District 19 is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW,

the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **As of December 1, 2019, there are 191 members in the program.**

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property; including Automobile Comprehensive and Collision, Equipment Breakdown, and Crime Protection and Liability; including General, Automobile, and Wrongful Acts, which are included to fit member's various needs. The program acquires liability insurance through their administrator, Clear Risk Solutions, which is subject to a per occurrence self-insured retention (SIR) of \$100,000, with the exception of Wrongful Acts and Law Enforcement Liability, which have a self-insured retention of \$25,000. Members are responsible for a \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the \$100,000 retention. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the \$100,000 of the self-insured retention, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$1,910,871.**

Property insurance is subject to a per occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self-insured retention, in addition to the deductible. Privacy and Network Liability coverage is offered with a \$10,000 member deductible and \$40,000 self-insured retention for systems using encryption and \$50,000-member deductible and \$50,000 self-insured retention for those without encryption. Equipment Breakdown insurance is subject to a per occurrence deductible of \$2,500, which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage, with the exception of Pumps & Motors, which is \$15,000 and is covered by CIAW. Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement. A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending **December 1, 2019 were \$2,687,104.78.**

#### **NOTE 6 - OTHER POST EMPLOYMENT BENEFITS**

Consolidated Irrigation District 19 is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. Consolidated Irrigation District 19 had 9 active plan members and 1 retired plan member as of June 30, 2019. As of June 30, 2019, the District's total OPEB liability was \$269,526 as calculated using the alternative measurement method. The District contributed \$59,236 to the plan for the year ended June 30, 2019. Fiscal year 2019 is the first year Consolidated Irrigation District No. 19 was required to report OPEB liabilities.

**Consolidated Irrigation District No. 19**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2021**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Pension Liabilities		213,973	-	162,290	51,683
259.12	Compenstated Absences		68,124	-	4,210	63,914
264.40	OPEB		366,943	-	62,830	304,113
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>649,040</b>	<b>-</b>	<b>229,330</b>	<b>419,710</b>
<b>Total Liabilities:</b>			<b>649,040</b>	<b>-</b>	<b>229,330</b>	<b>419,710</b>

**Consolidated Irrigation District No. 19**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2020**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Pension Liabilities		200,784	13,189	-	213,973
259.12	Compensated Absences		66,271	1,853	-	68,124
264.40	OPEB		269,526	97,417	-	366,943
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>536,581</b>	<b>112,459</b>	<b>-</b>	<b>649,040</b>
<b>Total Liabilities:</b>			<b>536,581</b>	<b>112,459</b>	<b>-</b>	<b>649,040</b>

**Consolidated Irrigation District No. 19**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2019**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
264.30	Pension Liabilities		276,464	-	75,680	200,784
259.12	Compensated Absences		51,326	14,945	-	66,271
264.40	OPEB		210,290	59,236	-	269,526
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>538,080</b>	<b>74,181</b>	<b>75,680</b>	<b>536,581</b>
<b>Total Liabilities:</b>			<b>538,080</b>	<b>74,181</b>	<b>75,680</b>	<b>536,581</b>

## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

### Stay connected at [sao.wa.gov](http://sao.wa.gov)

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- Explore public financial data with the [Financial Intelligence Tool](#)

### Other ways to stay in touch

- Main telephone:  
(564) 999-0950
- Toll-free Citizen Hotline:  
(866) 902-3900
- Email:  
[webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov)