



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Si View Metropolitan Park District

For the period January 1, 2022 through December 31, 2023

Published November 21, 2024

Report No. 1035982



Scan to see another great way
we're helping advance
#GoodGovernment



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

November 21, 2024

Board of Commissioners
Si View Metropolitan Park District
North Bend, Washington

Report on Financial Statements

Please find attached our report on the Si View Metropolitan Park District's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4
Independent Auditor's Report on the Financial Statements	7
Financial Section	11
About the State Auditor's Office	40

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*

Si View Metropolitan Park District January 1, 2022 through December 31, 2023

Board of Commissioners
Si View Metropolitan Park District
North Bend, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Si View Metropolitan Park District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 12, 2024.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

REPORT ON COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

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

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

Pat McCarthy, State Auditor

Olympia, WA

November 12, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Si View Metropolitan Park District January 1, 2022 through December 31, 2023

Board of Commissioners
Si View Metropolitan Park District
North Bend, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the Si View Metropolitan Park District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, as listed in the financial section of our report.

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the Si View Metropolitan Park District, and its changes in cash and investments, for the years ended December 31, 2023 and 2022, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Si View Metropolitan Park District, as of December 31, 2023 and 2022, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2024 on our consideration of the District's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

November 12, 2024

FINANCIAL SECTION

Si View Metropolitan Park District January 1, 2022 through December 31, 2023

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023

Fund Resources and Uses Arising from Cash Transactions – 2022

Notes to Financial Statements – 2023

Notes to Financial Statements – 2022

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023

Schedule of Liabilities – 2022

Si View Metropolitan Park District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		Total for All Funds (Memo Only)	001 General Fund	201 Si View/Tollgate Debt Service	202 Si View Interior Debt Service Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	8,054,865	2,470,568	238,384	2,412
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	3,393,777	2,300,517	1,093,260	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	242,983	4,207	373	-
340	Charges for Goods and Services	1,967,292	1,819,392	40	3
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	552,221	369,186	16,566	1,275
Total Revenues:		6,156,273	4,493,302	1,110,239	1,278
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	3,753,499	3,746,451	3,958	26
Total Expenditures:		3,753,499	3,746,451	3,958	26
Excess (Deficiency) Revenues over Expenditures:		2,402,774	746,851	1,106,281	1,252
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	420,628	-	-	70,628
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		420,628	-	-	70,628
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,487,874	118,484	-	-
591-593, 599	Debt Service	1,146,119	9,507	1,065,984	70,628
597	Transfers-Out	420,628	420,628	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	(3,574)	(3,574)	-	-
Total Other Decreases in Fund Resources:		3,051,047	545,045	1,065,984	70,628
Increase (Decrease) in Cash and Investments:		(227,645)	201,806	40,297	1,252
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,575,793	-	278,680	3,664
50841	Committed	-	-	-	-
50851	Assigned	2,579,053	-	-	-
50891	Unassigned	2,672,374	2,672,374	-	-
Total Ending Cash and Investments		7,827,220	2,672,374	278,680	3,664

The accompanying notes are an integral part of this statement.

**Si View Metropolitan Park District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023**

		300 Capital Projects Fund	301 Capital Projects Fund - 2018 Bond
Beginning Cash and Investments			
308	Beginning Cash and Investments	1,843,106	3,500,395
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	238,403	-
340	Charges for Goods and Services	147,459	398
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	75,227	89,967
Total Revenues:		461,089	90,365
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	1,090	1,974
Total Expenditures:		1,090	1,974
Excess (Deficiency) Revenues over Expenditures:		459,999	88,391
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	350,000	-
385	Special or Extraordinary Items	-	-
381, 382, 389, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		350,000	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	74,052	1,295,338
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
Total Other Decreases in Fund Resources:		74,052	1,295,338
Increase (Decrease) in Cash and Investments:		735,947	(1,206,947)
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	2,293,449
50841	Committed	-	-
50851	Assigned	2,579,053	-
50891	Unassigned	-	-
Total Ending Cash and Investments		2,579,053	2,293,449

The accompanying notes are an integral part of this statement.

Si View Metropolitan Park District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	001 General Fund	201 Si View/Tollgate Debt Service	202 Si View Interior Debt Service Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	9,904,092	2,252,257	240,175	1,920
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	3,239,743	2,216,603	1,023,140	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	109,575	22,540	388	-
340	Charges for Goods and Services	1,517,160	1,516,548	40	3
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	337,077	272,613	5,522	504
Total Revenues:		5,203,555	4,028,304	1,029,090	507
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	3,262,629	3,256,494	3,992	15
Total Expenditures:		3,262,629	3,256,494	3,992	15
Excess (Deficiency) Revenues over Expenditures:		1,940,926	771,810	1,025,098	492
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	495,392	-	-	70,392
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		495,392	-	-	70,392
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,686,584	51,819	-	-
591-593, 599	Debt Service	1,106,639	9,358	1,026,889	70,392
597	Transfers-Out	495,392	495,392	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	(3,070)	(3,070)	-	-
Total Other Decreases in Fund Resources:		4,285,545	553,499	1,026,889	70,392
Increase (Decrease) in Cash and Investments:		(1,849,227)	218,311	(1,791)	492
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	3,741,191	-	238,384	2,412
50841	Committed	-	-	-	-
50851	Assigned	1,843,106	-	-	-
50891	Unassigned	2,470,568	2,470,568	-	-
Total Ending Cash and Investments		8,054,865	2,470,568	238,384	2,412

The accompanying notes are an integral part of this statement.

**Si View Metropolitan Park District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022**

		300 Capital Projects Fund	301 Capital Projects Fund - 2018 Bond
Beginning Cash and Investments			
308	Beginning Cash and Investments	1,514,353	5,895,387
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	86,647	-
340	Charges for Goods and Services	-	569
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	12,368	46,070
Total Revenues:		99,015	46,639
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	439	1,689
Total Expenditures:		439	1,689
Excess (Deficiency) Revenues over Expenditures:		98,576	44,950
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	425,000	-
385	Special or Extraordinary Items	-	-
381, 382, 389, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		425,000	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	194,823	2,439,942
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
Total Other Decreases in Fund Resources:		194,823	2,439,942
Increase (Decrease) in Cash and Investments:		328,753	(2,394,992)
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	3,500,395
50841	Committed	-	-
50851	Assigned	1,843,106	-
50891	Unassigned	-	-
Total Ending Cash and Investments		1,843,106	3,500,395

The accompanying notes are an integral part of this statement.

Si View Metropolitan Park District

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 1 – Summary of Significant Accounting Policies

The Si View Metropolitan Park District was incorporated on February 4, 2003, and operates under the laws of the state of Washington applicable to a special purpose park district form of government. The district is a special purpose local government and provides parks and recreation services.

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements. (See Notes to 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 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, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES

General Fund

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.

Debt Service Fund

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

Capital Projects Funds

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

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 3, *Deposits and Investments*

D. Capital Assets

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

E. Compensated Absences

Vacation leave may be accumulated up to a maximum of 240 hours and is payable upon separation or retirement.

Sick leave may accumulate indefinitely. Upon separation or retirement, any sick leave accumulated beyond 240 hours shall be paid to the employee's HRA VEBA account at the rate of $\frac{1}{4}$ of his/her existing pay.

Compensatory time off may be accumulated up to a maximum of 96 hours. Upon separation or retirement, unused compensatory time off shall be paid to the employee at the employee's final regular rate of pay.

Payments are recognized as expenditures when paid.

For 2023, the district's compensated absences liability is \$100,246. (Vacation leave - \$88,219; Sick leave - \$11,333; Compensatory time - \$694).

Si View Metropolitan Park District
2023 – NOTES TO FINANCIAL STATEMENTS

F. Long-Term Debt

See Note 6 – Long-Term Debt.

G. Restricted and Committed Portion of Ending Cash and Investments

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

Restriction and commitments of Ending Cash and Investments consist of \$278,680 for the Si View/Tollgate Debt Service Fund, \$3,664 for the Si View Interior Debt Service Fund and \$2,293,449 for the Capital Projects – 2018 Bond Fund.

Note 2 – Budget Compliance

The district adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - General Fund			
General Fund	\$4,295,551.64	\$4,206,632.02	\$88,919.62
Revenue Stabilization Fund	\$73.00	\$141.28	(\$68.28)
Equipment Fund	\$74,502.50	\$76,476.84	(\$1,974.34)
Park Fund	\$39,002.86	\$7,920.29	\$31,082.57
Gift Card Fund	\$.75	\$325	(\$324.25)
Total 001 – General Fund	\$4,409,130.75	\$4,291,495.43	\$117,635.32
201 – Si View/Tollgate Debt Service Fund	\$1,069,414.20	\$1,069,942.71	(\$528.51)
202 – Si View Interior Debt Service Fund	\$70,637.00	\$70,654.50	(\$17.50)
300 – Capital Projects Fund	\$957,174.00	\$75,142.26	\$882,031.74
301 - Capital Projects Fund (2018 Bond)	\$2,925,227.00	\$1,297,311.50	\$1,627,915.50
Total All Funds	\$9,431,582.95	\$6,804,546.40	\$2,627,036.55

- The \$117,635.32 variance in the combined General Fund reflects lower than expected facility maintenance expenses.
- The slight (\$546.01) variance in the debt service funds is due to slightly higher King County fees.
- The \$882,031.74 variance in the (300) Capital Projects Fund reflects capital projects that were budgeted, but not completed during the budget year.
- The \$1,627,915.50 variance in the (301) Capital Projects Fund (2018 Bond) reflects capital projects that were budgeted, but not completed during the budget year.

Budgeted amounts are authorized to be transferred between departments within any fund or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the district's legislative body.

Note 3 – Deposits and Investments

Investments are reported at original cost. Deposits and investments by type at December 31, 2023, are as follows:

<u>Type of Deposit or Investment</u>	<u>District's own deposits and investments</u>	<u>Total</u>
L.G.I.P. (King County)	\$7,827,219.92	\$7,827,219.92
TOTAL	\$7,827,219.92	\$7,827,219.92

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

Investments in King County Investment Pool

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the district would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The district's deposits and

certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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

Note 4 – Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed daily.

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

The district's regular levy for the year 2023 was \$.3942 per \$1,000 on an assessed valuation of \$5,862,272,413 for a total regular levy of \$2,310,998. Actual tax collected for the 2023 year was \$2,275,083 resulting in a percentage of property tax collected of 98.4%.

In 2023, the district also levied \$.1876 per \$1,000 for debt service on voter approved 2010 and 2018 bonds for an additional levy of \$1,099,940. Actual tax collected for the 2023 debt service levy was \$1,081,529 resulting in a percentage of property tax collected of 98.3%.

Note 5 – Interfund Loans

The district did not have any interfund loan activity during 2023.

Note 6 – Long-Term Debt

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for the year ended December 31, 2023.

The debt service requirements for general obligation bonds and leases are as follows:

<u>Year</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Lease Payments</u>	<u>Total</u>
2024	\$586,000.00	\$568,059.20	\$9,644.40	\$1,163,703.60
2025	\$622,000.00	\$553,471.00	\$9,697.56	\$1,185,168.56
2026	\$581,000.00	\$537,748.60	\$1,616.26	\$1,120,364.86
2027	\$622,000.00	\$522,998.80	\$0	\$1,144,998.80
2028	\$653,000.00	\$506,931.20	\$0	\$1,159,931.20
2029-2033	\$2,456,000.00	\$2,287,279.20	\$0	\$4,743,279.20
2034-2038	\$2,515,000.00	\$1,915,625.00	\$0	\$4,430,625.00
2039-2043	\$3,750,000.00	\$1,385,637.50	\$0	\$5,135,637.50

2044-2048	\$5,345,000.00	\$611,900.00	\$0	\$5,956,900.00
TOTALS	\$17,130,000.00	\$8,889,650.50	\$20,958.22	\$26,040,608.72

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the district's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans PERS 2 and PERS 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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

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

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

At June 30, 2023 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$49,576	.007275%	\$166,069
PERS 2/3	\$82,517	.009385%	(\$384,661)

Note 8 – Risk Management

The Si View Metropolitan Park District is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool 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 AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2023, 106 entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier. Pollution, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA allows members with airports to group purchase airport liability coverage, and members with drones to group purchase property and liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$500,000, per occurrence, and is reinsured by National League of Cities Mutual Insurance Company (NLC MIC) for the additional \$500,000. \$9.5 million in excess liability coverage limits is provided through an excess liability policy purchased from National League of Cities Mutual Insurance Company (NLC MIC). The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The property reinsurance coverage is purchased through NLC MIC and excess property coverage is purchased through AIG Specialty Insurance Company and CHUBB. In 2023, AWC RMSA carried a retention of \$300,000, NLC MIC reinsures up to \$3 million., AIG Specialty Insurance Company provides excess insurance up to \$50 million, and CHUBB provides the remaining limits up to a total of \$250 million. All commercial policies have been purchased through the pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

Note 9 – GASB NO. 40 Disclosure Statement

In accordance with State law, the district’s governing body has entered into a formal interlocal agreement with the district’s ex officio treasurer, King County, to have all its funds not required for immediate expenditure to be invested in the King County Investment Pool (Pool).

As of December 31, 2023, the district had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
King County Investment Pool	\$7,802,955.54	.79 Years

Impaired Investments. As of December 31, 2023, all impaired commercial paper investments have completed enforcement events. The King County impaired investment pool (Impaired Pool) held one commercial paper asset where the Impaired Pool accepted an exchange offer and is receiving the cash flows from the investment’s underlying securities. The district’s share of the impaired investment pool principal is \$172.22, and the district’s fair value of these investments is \$85.00.

Interest Rate Risk. As of December 31, 2023, the Pool’s average duration was .79 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 life, no longer than five years. While the Pool’s market value is calculated on a monthly basis, 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, 2023, the district’s investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, Pool policies authorize investments in U.S. Treasury securities, U.S. agency securities and mortgage-backed securities, corporate notes (rated at least “A”), municipal securities (rated at least “A” by two NRSROs), commercial paper (rated at least the equivalent of “A-1”, certificates of deposits issued by qualified public depositories, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer’s office.

Note 10 – Health and Welfare

The Si View Metropolitan Park District is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2023, 264 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolled groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2023, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of

all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-100-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report of the AWC Trust HCP is available from the Washington State Auditor's office.

Note 11 – Joint Ventures, Component Unit(s) and Related Parties

The Si View Community Foundation was formed in 2008 as a non-profit public benefit corporation to develop broad involvement in and support for youth programs, parks, recreational facilities and services to meet the needs of the community. The Si View Community Foundation board is and has been comprised of current and past District commissioners and staff as well as general community members. Foundation funding is achieved through community donations, employer matching contributions and grant funding to support scholarships and other recreation programs and stated purposes. The district does not provide any funding to the Si View Community Foundation.

For 2023, the Foundation had net gain of \$52,171.26 based on \$31,581.70 in investment gains, \$28,406.08 in community donations and grants, and expenses of \$7,816.52 including awarded scholarships and community program support.

For the year ended December 31, 2023, the Foundation disbursed a total of \$4,829.02 in scholarship funds and program support to the district.

Note 12 – Leases

The district leases equipment (Konica Minolta C750i) from Pacific Office Automation under a lease agreement with an original term of 60 months. The lease began in February of 2021 and will end February of 2026.

The total amount paid for leases in 2023 was \$9,507. As of December 31, 2023, the future lease payments are as follows:

Year Ended December 31	Total
2024	\$9,644.40
2025	\$9,697.56
2026	\$1,616.26
Total	\$20,958.22

Si View Metropolitan Park District

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 1 – Summary of Significant Accounting Policies

The Si View Metropolitan Park District was incorporated on February 4, 2003, and operates under the laws of the state of Washington applicable to a special purpose park district form of government. The district is a special purpose local government and provides parks and recreation services.

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

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements. (See Notes to 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 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, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES

General Fund

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.

Debt Service Fund

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

Capital Projects Funds

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

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 3, *Deposits and Investments*

D. Capital Assets

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

E. Compensated Absences

Vacation leave may be accumulated up to a maximum of 240 hours and is payable upon separation or retirement.

Sick leave may accumulate indefinitely. Upon separation or retirement, any sick leave accumulated beyond 240 hours shall be paid to the employee's HRA VEBA account at the rate of $\frac{1}{4}$ of his/her existing pay.

Compensatory time off may be accumulated up to a maximum of 96 hours. Upon separation or retirement, unused compensatory time off shall be paid to the employee at the employee's final regular rate of pay.

Payments are recognized as expenditures when paid.

For 2022, the district's compensated absences liability is \$98,583. (Vacation leave - \$87,075; Sick leave - \$10,697; Compensatory time - \$811).

F. Long-Term Debt

See Note 6 – Long-Term Debt.

G. Restricted and Committed Portion of Ending Cash and Investments

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

Restriction and commitments of Ending Cash and Investments consist of \$238,384 for the Si View/Tollgate Debt Service Fund, \$2,412 for the Si View Interior Debt Service Fund and \$3,500,395 for the Capital Projects – 2018 Bond Fund.

Note 2 – Budget Compliance

The district adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
001 - General Fund			
General Fund	\$4,194,341.52	\$3,801,499.30	\$392,842.22
Revenue Stabilization Fund	\$65.00	\$72.72	(\$7.72)
Equipment Fund	\$39,003.00	\$1,333.56	\$37,669.44
Park Fund	\$35,003.25	\$7,087.14	\$27,916.11
Gift Card Fund	\$2	\$.46	\$1.54
Total 001 – General Fund	\$4,268,414.77	\$3,809,993.18	\$458,421.59
201 – Si View/Tollgate Debt Service Fund	\$1,029,309.00	\$1,030,881.13	(\$1,572.13)
202 – Si View Interior Debt Service Fund	\$70,404.00	\$70,407.10	(\$3.10)
300 – Capital Projects Fund	\$1,088,210.00	\$195,261.78	\$892,948.22
301 - Capital Projects Fund (2018 Bond)	\$2,863,446.00	\$2,441,631.21	\$421,814.79
Total All Funds	\$9,319,783.77	\$7,548,174.40	\$1,771,609.37

- The \$458,421.59 variance in the combined General Fund reflects continued recovery from COVID related restrictions.
- The slight (\$1,575.23) variance in the debt service funds is due to slightly higher ad valorem tax refunds and King County fees.
- The \$892,948.22 variance in the (300) Capital Projects Fund reflects capital projects that were budgeted, but not completed during the budget year.
- The \$421,814.79 variance in the (301) Capital Projects Fund (2018 Bond) reflects capital projects that were budgeted, but not completed during the budget year.

Budgeted amounts are authorized to be transferred between departments within any fund or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the district's legislative body.

Note 3 – Deposits and Investments

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

<u>Type of Deposit or Investment</u>	<u>District's own deposits and investments</u>	<u>Total</u>
L.G.I.P. (King County)	\$8,054,639.69	\$8,054,639.69
TOTAL	\$8,054,639.69	\$8,054,639.69

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

Investments in King County Investment Pool

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the district would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The district's deposits and

certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

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

Note 4 – Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed daily.

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

The district's regular levy for the year 2022 was \$.46902 per \$1,000 on an assessed valuation of \$4,744,970,909 for a total regular levy of \$2,225,475. Actual tax collected for the 2022 year was \$2,191,217 resulting in a percentage of property tax collected of 98.5%.

In 2022, the district also levied \$.21642 per \$1,000 for debt service on voter approved 2010 and 2018 bonds for an additional levy of \$1,026,889. Actual tax collected for the 2022 debt service levy was \$1,010,913 resulting in a percentage of property tax collected of 98.4%.

Note 5 – Interfund Loans

The district did not have any interfund loan activity during 2022.

Note 6 – Long-Term Debt

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the district and summarizes the district's debt transactions for the year ended December 31, 2022.

The debt service requirements for general obligation bonds and leases are as follows:

<u>Year</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Lease Payments</u>	<u>Total</u>
2023	\$555,000.00	\$581,612.20	\$9,312.48	\$1,145,924.68
2024	\$586,000.00	\$568,059.20	\$9,312.48	\$1,163,371.68
2025	\$622,000.00	\$553,471.00	\$9,312.48	\$1,184,783.48
2026	\$581,000.00	\$537,748.60	\$2,328.12	\$1,121,076.72
2027	\$622,000.00	\$522,998.80	\$0	\$1,144,998.80
2028	\$653,000.00	\$506,931.20	\$0	\$1,159,931.20
2029-2033	\$2,456,000.00	\$2,287,279.20	\$0	\$4,743,279.20
2034-2038	\$2,515,000.00	\$1,915,625.00	\$0	\$4,430,625.00

2039-2043	\$3,750,000.00	\$1,385,637.50	\$0	\$5,135,637.50
2044-2048	\$5,345,000.00	\$611,900.00	\$0	\$5,956,900.00
TOTALS	\$17,685,000.00	\$9,471,262.70	\$30,265.56	\$27,186,528.26

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the district's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans PERS 2 and PERS 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 Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

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

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

At June 30, 2022 (the measurement date of the plans), the district's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$42,416	.006921%	\$192,706
PERS 2/3	\$72,523	.009027%	(\$334,792)

Note 8 – Risk Management

The Si View Metropolitan Park District is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool 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 AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2022, 106 entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier. Pollution, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA allows members with airports to group purchase airport liability coverage, and members with drones to group purchase property and liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$500,000, per occurrence, and is reinsured by National League of Cities Mutual Insurance Company (NLC MIC) for the additional \$500,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from National League of Cities Mutual Insurance Company (NLC MIC). The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The reinsurance coverage is purchased through NLC MIC, and excess property coverage is purchased through AIG Specialty Insurance Company and CHUBB. In 2022, AWC RMSA carried a retention of \$200,000, NLC MIC reinsures up to \$3 million., AIG Specialty Insurance Company provides excess insurance up to \$50 million, and CHUBB provides the remaining limits up to a total of \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

Note 9 – GASB NO. 40 Disclosure Statement

In accordance with State law, the district’s governing body has entered into a formal interlocal agreement with the district’s ex officio treasurer, King County, to have all its funds not required for immediate expenditure to be invested in the King County Investment Pool (Pool).

As of December 31, 2022, the district had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
King County Investment Pool	\$7,841,997.21	.99 Years

Impaired Investments. As of December 31, 2022, all impaired commercial paper investments have completed enforcement events. The King County impaired investment pool (Impaired Pool) held one commercial paper asset where the Impaired Pool accepted an exchange offer and is receiving the cash flows from the investment’s underlying securities. The district’s share of the impaired investment pool principal is \$206.05, and the district’s fair value of these investments is \$115.59.

Interest Rate Risk. As of December 31, 2022, the Pool’s average duration was .99 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 life, no longer than five years. While the Pool’s market value is calculated on a monthly basis, 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, 2022, the district’s investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, Pool policies authorize investments in U.S. Treasury securities, U.S. agency securities and mortgage-backed securities, corporate notes (rated at least “A”), municipal securities (rated at least “A” by two NRSROs), commercial paper (rated at least the equivalent of “A-1”, certificates of deposits issued by qualified public depositories, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer’s office.

Note 10 – Health and Welfare

The Si View Metropolitan Park District is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2022, 262 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolled groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2022, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$1.5 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of

all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-100-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report of the AWC Trust HCP is available from the Washington State Auditor's office.

Note 11 – Joint Ventures, Component Unit(s) and Related Parties

The Si View Community Foundation was formed in 2008 as a non-profit public benefit corporation to develop broad involvement in and support for youth programs, parks, recreational facilities and services to meet the needs of the community. The Si View Community Foundation board is and has been comprised of current and past District commissioners and staff as well as general community members. Foundation funding is achieved through community donations, employer matching contributions and grant funding to support scholarships and other recreation programs and stated purposes. The district does not provide any funding to the Si View Community Foundation.

For 2022, the Foundation had net loss of (\$63,686.51) based on \$65,869.21 in investment losses (market downturn), \$10,480.41 in community donations and grants, and expenses of \$8,297.71 including awarded scholarships and community program support.

For the year ended December 31, 2022, the Foundation disbursed a total of \$1,877.71 in scholarship funds to the district. The district returned a total of \$26.65 to the Foundation in scholarship refunds for programs that were cancelled.

Si View Metropolitan Park District
2022 – NOTES TO FINANCIAL STATEMENTS

Note 12 – Leases

During the year ended December 31, 2022, the district adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

The district leases equipment (Konica Minolta C750i) from Pacific Office Automation for the current rate of \$776.04 per month under a lease agreement with an original term of 60 months. The lease began in February of 2021 and will end February of 2026.

The total amount paid for leases in 2022 was \$9,358. As of December 31, 2022, the future lease payments are as follows:

Year Ended December 31	Total
2023	\$9,312.48
2024	\$9,312.48
2025	\$9,312.48
2026	\$2,328.12
Total	\$30,265.56

**Si View Metropolitan Park District
Schedule of Liabilities
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2015 Bonds - Si View Interior	12/1/2025	201,000	-	65,000	136,000
251.12	2016 Refunding Bonds (Chase)	12/1/2030	2,854,000	-	335,000	2,519,000
251.12	2019 Bonds (November 2018)	12/1/2048	8,845,000	-	45,000	8,800,000
251.12	2020 Bonds (2019 Series 2)	12/1/2048	5,785,000	-	110,000	5,675,000
Total General Obligation Debt/Liabilities:			17,685,000	-	555,000	17,130,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		98,583	1,663	-	100,246
264.30	Pension Liability		192,706	-	26,637	166,069
263.57	Konica Minolta C750i	2/26/2026	30,266	199	9,507	20,958
Total Revenue and Other (non G.O.) Debt/Liabilities:			321,555	1,862	36,144	287,273
Total Liabilities:			18,006,555	1,862	591,144	17,417,273

**Si View Metropolitan Park District
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2015 Bonds - Si View Interior	12/1/2025	264,000	-	63,000	201,000
251.12	2016 Refunding Bonds (Chase)	12/1/2030	3,180,000	-	326,000	2,854,000
251.12	2019 Bonds (November 2018)	12/1/2048	8,855,000	-	10,000	8,845,000
251.12	2020 Bonds (2019 Series 2)	12/1/2048	5,890,000	-	105,000	5,785,000
Total General Obligation Debt/Liabilities:			18,189,000	-	504,000	17,685,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		102,333	-	3,750	98,583
264.30	Pension Liability		85,035	107,671	-	192,706
263.57	Konica Minolta C750i	2/26/2026	38,802	822	9,358	30,266
Total Revenue and Other (non G.O.) Debt/Liabilities:			226,170	108,493	13,108	321,555
Total Liabilities:			18,415,170	108,493	517,108	18,006,555

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. 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

- [Find your audit team](#)
- [Request public records](#)
- Search BARS Manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- 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