



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Upper Columbia Irrigation District (formerly Greater Wenatchee Irrigation District)

For the period January 1, 2021 through December 31, 2023

Published March 24, 2025

Report No. 1036760



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

March 24, 2025

Board of Directors
Upper Columbia Irrigation District
East Wenatchee, Washington

Report on Financial Statements

Please find attached our report on the Upper Columbia Irrigation 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

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TABLE OF CONTENTS

Schedule of Audit Findings and Responses.....	4
Summary Schedule of Prior Audit Findings	7
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>	8
Independent Auditor's Report on the Financial Statements.....	11
Financial Section.....	15
About the State Auditor's Office.....	41

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Upper Columbia Irrigation District January 1, 2021 through December 31, 2023

2023-001 The District did not have adequate internal controls ensuring accurate reporting of its financial statements.

Background

State and federal agencies, the District and the public rely on information included in financial statements and reports to make decisions. District management is responsible for designing and following internal controls that provide reasonable assurance financial statements and notes to the financial statements are accurate. The District prepares financial statements using the cash-basis accounting method prescribed in the *Budgeting, Accounting and Reporting System (BARS) Manual*.

Our audit found deficiencies in internal controls over accounting and financial reporting that affected the District's ability to produce reliable financial statements. *Government Auditing Standards* requires the State Auditor's Office to communicate material weaknesses as a finding.

Description of Condition

Our audit identified internal control deficiencies that, when taken together, represent a material weakness. We found the District's controls over reporting revenue, expenditures, liabilities and the implementation of new BARS Manual requirements was not sufficient to report accurate financial statements. Specifically, the District relied on county treasurer reports to prepare its financial statements rather than its own general ledger. The District also did not fully evaluate BARS Manual requirements for reporting liabilities.

Cause of Condition

District's accounting personnel did not dedicate sufficient time to understand BARS Manual requirements. New accounting personnel was hired for the 2023 audit period. District management also believed there were possible inaccuracies in the District's general ledger in 2021 and 2022 and that preparing its financial statements directly from the county treasurer reports would be more accurate.

Effect of Condition

The control deficiencies resulted in the following reporting errors on the financial statements, most of which the District corrected. The District:

- Overstated total revenue and expenditures in 2021 by \$148,273 and \$612,857, respectively
- Underreported 2021 ending cash by \$367,213, as it excluded funds held in a separate bank account and petty cash account
- Overstated total revenue and expenditures in 2022 by \$151,516 and \$222,283, respectively

On the Schedule of Liabilities, the District:

- Did not disclose its postage machine and copier leases on the schedule and notes to the financial statements for 2022 and 2023, resulting in a total ending liability understatement of \$9,688 and \$7,847, respectively
- Recorded a beginning balance of \$6,065,000 for a revenue bond received in 2021 that should have been reported as additions
- Overstated the ending balance for pension liabilities for year 2021 and 2022 by \$104,989 and \$51,236, respectively

We also identified other immaterial errors on the financial statements.

Recommendation

We recommend the District strengthen internal controls over financial reporting to ensure its financial statements, accompanying schedules and notes are accurate and meet the BARS Manual's reporting requirements.

We also recommend the District dedicate adequate time and resources for staff to comprehensively review the complete financial statements for consistency with reporting requirements.

District's Response

The District onboarded new staff and implemented a new financial system, along with updated procedures, to ensure greater accuracy and clarity in our operations.

Auditor's Remarks

We appreciate the District's commitment to resolve the conditions noted, and we will evaluate the District's corrective actions during our next audit.

Applicable Laws and Regulations

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Upper Columbia Irrigation District January 1, 2021 through December 31, 2023

This schedule presents the status of findings reported in prior audit periods.

Audit Period: 2018-2020	Report Ref. No.: 1029900	Finding Ref. No.: 2020-001
Finding Caption: The District's internal controls over preparing financial statements were inadequate for ensuring accurate financial reporting.		
Background: Our audit found deficiencies in internal controls over accounting and financial reporting that affected the District's ability to produce reliable financial statements. <ul style="list-style-type: none"> • The District did not provide adequate technical training for staff responsible for financial reporting. • The District did not have a secondary review that was adequate for detecting or preventing errors in the notes to the financial statements and supplementary schedules As a result of these internal control deficiencies, the District made the following misstatements on the Fund Resources and Uses Arising from Cash Transactions financial statement: <ul style="list-style-type: none"> • Understated beginning and ending cash and investments between \$1,500 and \$7,000 for each year under audit. • Overstated 2019 revenues and expenditures by about \$1,050,000 each. Overstated Net Pension Liability between \$250,000 and \$590,000 for each year under audit. • Did not report compensated absences, estimated \$21,000 and \$29,000 for each year under audit. 		
Status of Corrective Action: (check one) <input type="checkbox"/> Fully Corrected <input checked="" type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>Personnel have attended BARS training provided by the WA State Auditor's Office.</i>		

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*

Upper Columbia Irrigation District January 1, 2021 through December 31, 2023

Board of Directors
Upper Columbia Irrigation District
East Wenatchee, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Upper Columbia Irrigation District, as of and for the years ended December 31, 2023, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated February 21, 2025.

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.

However, we identified certain deficiencies in internal control, as described in the accompanying Schedule of Audit Findings and Responses as Finding 2023-001, 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*.

DISTRICT'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 style with a large, stylized initial "P".

Pat McCarthy, State Auditor

Olympia, WA

February 21, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Upper Columbia Irrigation District January 1, 2021 through December 31, 2023

Board of Directors
Upper Columbia Irrigation District
East Wenatchee, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the Upper Columbia Irrigation District, as of and for the years ended December 31, 2023, 2022 and 2021, 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 Upper Columbia Irrigation District, and its changes in cash and investments, for the years ended December 31, 2023, 2022 and 2021, 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 Upper Columbia Irrigation District, as of December 31, 2023, 2022 and 2021, 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 1 to the 2023 financial statements, the District operated as Greater Wenatchee Irrigation District prior to changing its name to Upper Columbia Irrigation District. 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 schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2025 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 that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

February 21, 2025

FINANCIAL SECTION

Upper Columbia Irrigation District January 1, 2021 through December 31, 2023

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023
Fund Resources and Uses Arising from Cash Transactions – 2022
Fund Resources and Uses Arising from Cash Transactions – 2021
Notes to the Financial Statements – 2023
Notes to the Financial Statements – 2022
Notes to the Financial Statements – 2021

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023
Schedule of Liabilities – 2022
Schedule of Liabilities – 2021

Upper Columbia Irrigation District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

Beginning Cash and Investments

308	Beginning Cash and Investments	3,904,024
388 / 588	Net Adjustments	-

Revenues

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	629,231
340	Charges for Goods and Services	3,723,114
350	Fines and Penalties	-
360	Miscellaneous Revenues	260,304
Total Revenues:		4,612,649

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	3,187,292
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		3,187,292
Excess (Deficiency) Revenues over Expenditures:		1,425,357

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	21,639
Total Other Increases in Fund Resources:		21,639

Other Decreases in Fund Resources

594-595	Capital Expenditures	1,602,294
591-593, 599	Debt Service	395,815
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		1,998,109

Increase (Decrease) in Cash and Investments: **(551,113)**

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	80,027
50841	Committed	-
50851	Assigned	3,272,884
50891	Unassigned	-
Total Ending Cash and Investments		3,352,911

The accompanying notes are an integral part of this statement.

**Greater Wenatchee Irrigation District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022**

Beginning Cash and Investments

308	Beginning Cash and Investments	6,866,166
388 / 588	Net Adjustments	-

Revenues

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	777,425
350	Fines and Penalties	-
360	Miscellaneous Revenues	2,758,975
Total Revenues:		3,536,400

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	2,625,396
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,625,396
Excess (Deficiency) Revenues over Expenditures:		911,004

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	-
Total Other Increases in Fund Resources:		-

Other Decreases in Fund Resources

594-595	Capital Expenditures	3,452,788
591-593, 599	Debt Service	420,357
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		3,873,145

Increase (Decrease) in Cash and Investments: **(2,962,141)**

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	1,684,163
50841	Committed	2,219,862
50851	Assigned	-
50891	Unassigned	-
Total Ending Cash and Investments		3,904,025

The accompanying notes are an integral part of this statement.

**Greater Wenatchee Irrigation District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021**

Beginning Cash and Investments

308	Beginning Cash and Investments	1,590,763
388 / 588	Net Adjustments	-

Revenues

310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	207,750
350	Fines and Penalties	-
360	Miscellaneous Revenues	2,490,185
Total Revenues:		2,697,935

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	2,371,112
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,371,112
Excess (Deficiency) Revenues over Expenditures:		326,823

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	6,065,000
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	1,713
Total Other Increases in Fund Resources:		6,066,713

Other Decreases in Fund Resources

594-595	Capital Expenditures	901,031
591-593, 599	Debt Service	216,836
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		1,117,867

Increase (Decrease) in Cash and Investments: **5,275,669**

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	5,102,203
50841	Committed	1,763,963
50851	Assigned	-
50891	Unassigned	-
Total Ending Cash and Investments		6,866,166

The accompanying notes are an integral part of this statement.

UPPER COLUMBIA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JANUARY 1, 2023 – DECEMBER 31, 2023

Note 1 Summary of Significant Accounting Policies

The Upper Columbia Irrigation District (formerly Greater Wenatchee Irrigation District) was authorized by the Act of Congress approved on May 5, 1958 (72 Stat. 104, Public Law 95-393). The District is a special purpose local government and provides irrigation water. On July 11, 2023, the Greater Wenatchee Irrigation District legally changed its name to Upper Columbia Irrigation District. This change was made to better reflect and clarify the boundaries of our service area. Please note that while our name has changed, the services we provide remain the same.

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.
- 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 District 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 District's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported separately 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.

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

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 \$10,000 and an estimated useful life in excess of 5 years.

E. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may be accumulated indefinitely. In the case of retirement with 6 months' notice, an employee may cashout unused sick leave over 720 hours, subject to a limit of 240 hours. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 3, 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’s Board of Directors. When expenditures that meet restrictions are incurred, the District intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$80,027. This amount is a rate stabilization fund.

Note 2 – Deposits and Investments

The District’s deposits and investments are managed by the Douglas County Treasurer Office. Deposits are covered by FDIC insurance. On December 31, 2023 the District’s cash on hand by the Douglas County Treasurer was \$957,269.

The District is a participant in the Douglas County Investment Pool operated by the Douglas County Treasurer. The pool is not rated or registered with the SEC, rather oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. On December 31, 2023, the District’s investments held by the Douglas County Treasurer was \$2,395,642.

Note 3 – Long-Term Debt

The District was issued a water revenue bond in 2021 to fund capital improvements.

The following table provides details of the outstanding debt of the District and summarize the District’s debt transactions for year ended December 31, 2023.

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

Year	Interest	Principal	Total Debt Service
2024	\$124,773.00	\$270,000.00	\$394,773.00
2025	\$118,617.00	\$275,000.00	\$393,617.00
2026	\$112,233.00	\$285,000.00	\$397,233.00
2027	\$105,735.00	\$290,000.00	\$395,735.00
2028	\$99,123.00	\$295,000.00	\$394,123.00
2029-2033	\$390,963.00	\$1,580,000.00	\$1,970,963.00
2034-2038	\$200,868.00	\$1,775,000.00	\$1,975,868.00
2039-2040	\$22,059.00	\$770,000.00	\$792,059.00
Total	\$1,174,371	\$5,540,000.00	\$6,714,371.00

Note 4 – Pension Plans

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 2/3.

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 downloaded from the DRS website at www.drs.wa.gov.

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$21,611	0.003171	\$72,385
PERS 2/3	\$36,023	0.004097	(\$167,923)

Note 5 – Risk Management

Upper Columbia Irrigation District is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance and to contract for risk management, claims and administrative services. More information about the program can be found on the Enduris Website. <https://www.enduris.us/>

The Enduris program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials Errors and Omissions Liability, Terrorism Liability and Employment Practices Liability; Property coverage, which includes: Buildings and Contents, Mobile Equipment, Boiler and Machinery and Business Interruption/Extra Expense; Automobile Physical Damage coverage;

Cyber Coverage; Crime Blanket Coverage; Named Position Coverage; and an Identity Fraud Reimbursement Program. Pollution coverage is provided on a “claims made” coverage form. All other coverage is provided on an “occurrence” coverage form.

BINDER (Summary of Coverage)			
MEMBER: Upper Columbia Irrigation District 3300 8th Street SE East Wenatchee, Washington 98802-9130		MEMORANDUM # 2024-311-P-001	
		EFFECTIVE: 9/1/2023 through 8/31/2024	
<i>This binder is subject to the terms and conditions as referenced in the Memorandum of Coverage.</i>			
COVERAGE:	COVERAGE TYPE	LIMIT**	DEDUCTIBLE/ CO-PAY
GENERAL LIABILITY <i>General Liability; Professional Liability</i>	Each occurrence	\$20,000,000	\$1,000
AUTO LIABILITY <i>Hired and Non-Owned; Temporary Substitute</i>	Each occurrence	\$20,000,000	\$1,000
PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY	Each Wrongful Act Member Aggregate	\$20,000,000 \$20,000,000	\$1,000
EMPLOYMENT PRACTICES LIABILITY	Aggregate Per member	\$20,000,000	20% Co-pay*
CRIME BLANKET COVERAGE WITH FAITHFUL PERFORMANCE OF DUTY	Per Occurrence Member Aggregate	\$250,000 N/A	\$1,000
NAMED POSITION COVERAGE WITH FAITHFUL PERFORMANCE OF DUTY	Per Occurrence Member Aggregate	N/A N/A	N/A N/A
PROPERTY/MOBILE EQUIPMENT/BOILER AND MACHINERY	Replacement Cost	Per Schedule with Enduris	Per Schedule with Enduris
CYBER COVERAGE	Member Aggregate APIP Program Aggregate	\$2,000,000 \$40,000,000	20% Co-pay* -
AUTOMOBILE PHYSICAL DAMAGE	Per Schedule with Enduris	Per Schedule with Enduris	\$250
IDENTITY FRAUD EXPENSE REIMBURSEMENT	Per Occurrence Member Aggregate	\$25,000 \$25,000	\$0
*Co-pay may be waived as per Memorandum of Coverage **Subject to limits and sub-limits as noted in the Memorandum of Coverage			

Note 6 – Leases

The District leases a postage Machine from Pitney Bows for \$24.80 a month. This lease will end 3/31/2026.

The District leases a Ricoh Copier for \$ 128.63 a month this lease will end 8/26/2028.

The total amount paid for leases in 2023 was \$1,842. As of December 31, 2023, the future lease payments are as follows.

Year	Lease Payments
2024	\$1,842
2025	\$1,842
2026	\$1,642
2027	\$1,542
2028	\$1,157
Total	\$8,025

Greater Wenatchee Irrigation District
Notes to the Financial Statements
January 1, 2022 through December 31, 2022

Note 1 – Summary of Significant Accounting Policies

The Greater Wenatchee Irrigation District was incorporated in 1958 and operates under the laws of the state of Washington applicable to an Irrigation and Reclamation District. The Greater Wenatchee Irrigation District is a special purpose local government and provides irrigation water.

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 laws, 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 fellow.
- 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 presented using classifications that are similar to the ending balance classification in GAAP.

The district reports the Cash Basis Budgeting, Accounting and Reporting System.

A. Funding 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:

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

C. Cash and Investments

See Note 2, Deposits and Investments

D. Capital Assets

Capital assets are assets with an initial individual cost of more the \$5,000 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 up to 240 hours, is payable upon separation or retirement. Sick leave may be accumulated indefinitely. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

Our contract with The Bureau of Reclamation was satisfied in December, 2021 as part of our Title Transfer. There was no individual documentation to determine their breakdown of the final payment due. See Note 3 for more information.

G. Restricted and Committed Portion of Ending Cash and Investments [6]

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 Resolution 02.26.21.01 When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$1,684,162.62. See Note 3 [6] The board of directors approved the capital budget at the December, 2020 meeting. A motion made by Director Clayton, seconded by Director Bromiley, and carried unanimously.

Greater Wenatchee Irrigation District entered into an agreement with US National Bank Association for a bond in the amount of \$6,065,000 for capital improvement projects.

This is a 20-year loan with a final payment due in December, 2040.

Note 2 – Deposits and Investments

Deposits

Cash on hand as of December 31, 2022 at the Douglas County Treasurer was \$1,027,034.67. The District's Investments were \$2,876,989,77.

The district is a voluntary participant in the Douglas 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 County Finance Committee in accordance with [RCW 36.48.070](#). The county reports its investment in the pool at amortized cost which is the same as the value of the pool per share.

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 deposits and certificates for 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 county Treasurer or its agent in the government’s name.

The district’s deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by Washington Public Deposit Protection Commission (PDPC)

Note 3 – Long Term Debt

The following table provides details of the outstanding debt of the District and summarize the District’s debt transactions for the year ended December 31, 2022.

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

Year	Interest	Principal	Total Debt Service
2023	\$130,810.00	\$265,000.00	\$395,810.00
2024	\$124,773.00	\$270,000.00	\$394,773.00
2025	\$118,617.00	\$275,000.00	\$393,617.00
2026	\$112,233.00	\$285,000.00	\$397,233.00
2027	\$105,735.00	\$290,000.00	\$395,735.00
2028-2032	\$426,417.00	\$1,545,000.00	\$1,971,417.00
2033-2037	\$240,654.00	\$1,735,000.00	\$1,975,654.00
2038-2040	\$45,942.00	\$1,140,000.00	\$1,185,942.00
Total	\$1,305,181.00	\$5,805,000.00	\$7,110,181.00

Note 4 – Pension Plan

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

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov. December 31, 2021, the District's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$19,777	0.002655	\$93,376
Pers 2/3	\$32,352	0.003415	\$43,676
Total	\$52,129		137,412

Note 5 – Risk Management

Greater Wenatchee Irrigation District is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2021, there were 539 Enduris members representing a broad array of special purpose districts throughout the state.

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

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above

the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

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

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

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

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

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
(2)	Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.			
(3)	Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.			
(4)	Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.			
(5)	This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.			
(6)	Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.			
(7)	Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.			
(8)	Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.			
(9)	Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.			
(10)	Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.			

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

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

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

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

Note 6 – 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.

There was no actual or financial impact to the operation of the district.

Note 7- Leases

The District leases a postage Machine from Pitney Bows for \$24.80 a month. This lease will end 3/31/2026.

The District leases a Ricoh Copier for \$ 128.63 a month this lease will end 8/26/2028.

The total amount paid for leases in 2022 was \$1,792. As of December 31, 2022, the future lease payments are as follows.

Year	Lease Payments
2023	\$1,842
2024	\$1,842
2025	\$1,842
2026	\$1,642
2027	\$1,542
2028	\$1,157
Total	\$9,867

Greater Wenatchee Irrigation District
Notes to the Financial Statements
January 1, 2021 through December 31, 2021

Note 1 – Summary of Significant Accounting Policies

The Greater Wenatchee Irrigation District was incorporated in 1958 and operates under the laws of the state of Washington applicable to an Irrigation and Reclamation District. The Greater Wenatchee Irrigation District is a special purpose local government and provides irrigation water.

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 laws, 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 fellow.
- 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 presented using classifications that are similar to the ending balance classification in GAAP.

The district reports the Cash Basis Budgeting, Accounting and Reporting System.

A. Funding 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:

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

C. Cash and Investments

See Note 2, Deposits and Investments

D. Capital Assets

Capital assets are assets with an initial individual cost of more the \$5,000 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 up to 240 hours, is payable upon separation or retirement. Sick leave may be accumulated indefinitely. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

Our contract with The Bureau of Reclamation was satisfied in December, 2021 as part of our Title Transfer. There was no individual documentation to determine their breakdown of the final payment due. See Note 3 for additional information.

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 Resolution 02.26.21.01 When expenditures that meet restrictions are incurred, the district intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$5,102,203.39. See Note 3 [6] The board of directors approved the capital budget at the December, 2020 meeting. Bu a motion made by Director Clayton, seconded by Director Bromiley, and carried unanimously.

Greater Wenatchee Irrigation District entered into an agreement with US National Bank Association for a bond in the amount of \$6,065,000 for capital improvement projects.

This is a 20-year loan with a final payment due in December, 2040.

Note 2 – Deposits and Investments

Deposits

Cash on hand as of December 31, 2021 at the Douglas County Treasurer was \$591,610. The District's Investments were \$1,590,734.

The district is a voluntary participant in the Douglas 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 County Finance Committee in accordance with [RCW 36.48.070](#). The county reports its investment in the pool at amortized cost which is the same as the value of the pool per share.

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 deposits and certificates for 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 county Treasurer or its agent in the government’s name.

The district’s deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by Washington Public Deposit Protection Commission (PDPC)

Note 3 – Long Term Debt

The following table provides details of the outstanding debt of the District and summarize the District’s debt transactions or the year ended December 31,2021.

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

Year	Interest	Principal	Total Debt Service
2022	\$136,800.00	\$508,219	\$645,019
2023	\$130,810.00	\$265,000.00	\$395,810.00
2024	\$124,773.00	\$270,000.00	\$394,773.00
2025	\$118,617.00	\$275,000.00	\$393,617.00
2026	\$112,233.00	\$285,000.00	\$397,233.00
2027-2031	\$461,073.00	\$1,510,000.00	\$1,971,073.00
2032-2036	\$279,528.00	\$1,695,000.00	\$1,974,528.00
2037-2040	\$78,147.00	\$1,505,000.00	\$1,583,147.00
Total	\$1,441,981.00	\$6,313,219	\$7,755,200

Note 4 – Pension Plan

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

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 PO Box 48380
 Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov. December 31, 2021, the District’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$19,777	0.002655	\$93,376
Pers 2/3	\$32,352	0.003415	\$43,676
Total	\$52,129		137,412

Note 5 – Risk Management

Greater Wenatchee Irrigation District is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool’s fiscal year ending August 31, 2021, there were 539 Enduris members representing a broad array of special purpose districts throughout the state.

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

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

insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

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

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

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

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
(2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
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- insured losses over \$250,000 to the limit of \$800 million except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
 - (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
 - (5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
 - (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
 - (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$1 million.
 - (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
 - (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
 - (10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.

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

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

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

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

Note 6 – 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.

There was no actual or financial impact to the operation of the district.

**Upper Columbia Irrigation 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	2021 Water Revenue Bond	12/1/2040	5,805,000	-	265,000	5,540,000
263.56	Postage Lease	3/31/2026	942	-	298	644
263.56	Copier Lease	12/26/2028	8,747	-	1,544	7,203
Total General Obligation Debt/Liabilities:			5,814,689	-	266,842	5,547,847
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absenses		59,648	-	619	59,029
264.30	Net Pension Liability		86,176	-	13,791	72,385
Total Revenue and Other (non G.O.) Debt/Liabilities:			145,824	-	14,410	131,414
Total Liabilities:			5,960,513	-	281,252	5,679,261

**Greater Wenatchee Irrigation 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	Cheif Joseph Dam	12/31/2023	248,219	-	248,219	-
251.11	Bond	12/1/2040	6,065,000	-	260,000	5,805,000
263.56	Postage Lease	3/31/2026	-	1,190	248	942
263.56	Copier Lease	8/26/2028	10,290	-	1,544	8,746
Total General Obligation Debt/Liabilities:			6,323,509	1,190	510,011	5,814,688
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Pension Liability		32,423	53,753	-	86,176
259.12	Compensated Absenses		34,207	25,441	-	59,648
Total Revenue and Other (non G.O.) Debt/Liabilities:			66,630	79,194	-	145,824
Total Liabilities:			6,390,139	80,384	510,011	5,960,512

**Greater Wenatchee Irrigation District
Schedule of Liabilities
For the Year Ended December 31, 2021**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	SERPA Contract	12/31/2021	234,641	-	234,641	-
251.11	Chief Joseph Dam	12/31/2023	316,329	-	68,110	248,219
251.11	Bond	12/1/2040	-	6,065,000	-	6,065,000
Total General Obligation Debt/Liabilities:			550,970	6,065,000	302,751	6,313,219
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Net Pension Liability		132,295	-	99,872	32,423
259.12	Compensated Absenses		32,202	2,005	-	34,207
Total Revenue and Other (non G.O.) Debt/Liabilities:			164,497	2,005	99,872	66,630
Total Liabilities:			715,467	6,067,005	402,623	6,379,849

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.

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