



Office of the Washington State Auditor  
Pat McCarthy

## **Financial Statements Audit Report**

# **Central Washington Public Utilities Unified Insurance Program Trust**

**For the period January 1, 2024 through December 31, 2024**

*Published July 28, 2025*

Report No. 1037732



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

July 28, 2025

Board of Trustees  
Central Washington Public Utilities Unified Insurance Program Trust  
Ephrata, Washington

**Report on Financial Statements**

Please find attached our report on the Central Washington Public Utilities Unified Insurance Program Trust's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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## INDEPENDENT AUDITOR'S REPORT

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

### **Central Washington Public Utilities Unified Insurance Program Trust January 1, 2024 through December 31, 2024**

Board of Trustees  
Central Washington Public Utilities Unified Insurance Program Trust  
Ephrata, 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 Central Washington Public Utilities Unified Insurance Program Trust, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated July 21, 2025.

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

In planning and performing our audit of the financial statements, we considered the Pool'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool'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 Pool'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.

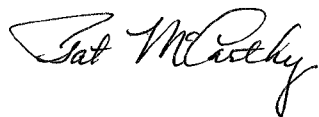
## REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Pool'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 Pool'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 Pool'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, 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

July 21, 2025

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Central Washington Public Utilities Unified Insurance Program Trust January 1, 2024 through December 31, 2024**

Board of Trustees  
Central Washington Public Utilities Unified Insurance Program Trust  
Ephrata, Washington

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

### **Opinion**

We have audited the accompanying financial statements of the Central Washington Public Utilities Unified Insurance Program Trust, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Central Washington Public Utilities Unified Insurance Program Trust, as of December 31, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Pool 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 opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Pool'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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 Pool'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 Pool's ability to continue as a going concern for a reasonable period of time; and
- 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.

## Required Supplementary Information

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

## Other Information

The other information comprises of the List of Participating Members and the DES Schedule of Expenses but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included with the financial statements. Our opinion on the basic financial statements does not cover this other information and, we do not express an opinion or provide any assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2025 on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pool'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 Pool'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

July 21, 2025

## **FINANCIAL SECTION**

### **Central Washington Public Utilities Unified Insurance Program Trust January 1, 2024 through December 31, 2024**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2024

#### **BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2024

Statement of Revenues, Expenditures and Changes in Fund Balance – 2024

Statement of Cash Flows – 2024

Notes to Financial Statements – 2024

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Reconciliation of Claims Liabilities by Type of Contract – 2024

Ten-Year Claims Development Information – 2024

#### **OTHER INFORMATION**

List of Participating Members – 2024

DES Schedule of Expenses – 2024

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

The following management's discussion and analysis presents an overview and analysis of the financial activities of the Central Washington Public Utilities Unified Insurance Program Trust (Trust) for the year ended December 31, 2024, with additional comparative data for the year ended December 31, 2023. Information within this section should be used in conjunction with the accompanying financial statements and related notes.

**Overview of the Trust and the Financial Statements**

The members of the Trust, as listed in the notes to the financial statements, pay into the Trust a predetermined premium for medical, prescription, vision, and dental insurance which is established by the Broker and approved by the Trustees prior to the beginning of the plan year.

In accordance with requirements set forth by the Governmental Accounting Standards Board, the Trust financial statements employ the accrual basis of accounting in recognizing increases and decreases in economic resources. Accrual accounting recognizes all revenues and expenses during the year, regardless of when cash is received or paid.

The financial statements of the Trust have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to proprietary funds of government units.

The basic financial statements, presented for the year ended December 31, 2024, are comprised of:

- *Statement of Net Position:* This statement reflects the assets and liabilities with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Trust is improving or deteriorating.
- *Statement of Revenues, Expenses, and Changes in Fund Net Position:* This statement reflects the transactions and events that have increased or decreased the Trust's total economic resources during the period. Revenues and expenses are classified as operating or nonoperating based on the nature of the transaction.
- *Statement of Cash Flows:* The statement of cash flows reflects the sources and uses of cash separated into two categories of activities: operating and investing.

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Condensed Comparative Financial Information**

Provided below is a two-year comparison of key financial information:

**Statement of Net Position Information**

	<b>12/31/2024</b>	<b>12/31/2023</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Current Assets	\$ 4,754,118	\$ 4,165,520	\$ 588,598	14.13 %
Investments	4,747,603	6,500,570	(1,752,967)	(26.97)
Current Liabilities	7,398,981	7,999,351	(600,370)	(7.51)
Unrestricted Net Position	<u>\$ 2,102,740</u>	<u>\$ 2,666,739</u>	<u>\$ (563,999)</u>	(21.15)

**Statement of Revenues, Expenses, and Changes in Fund Net Position**

	<b>12/31/2024</b>	<b>12/31/2023</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Operating Revenues	\$ 32,064,179	\$ 28,409,965	\$ 3,654,214	12.86 %
Nonoperating Revenues	368,612	413,576	(44,964)	(10.87)
Total Revenues	32,432,791	28,823,541	3,609,250	12.52
Operating Expenses				
Claims and Administrative Fees	31,053,680	30,177,745	875,935	2.90
Other Contracts	1,627,901	1,206,324	421,577	34.95
Other Expenses	315,209	293,045	22,164	7.56
Total Operating Expenses	32,996,790	31,677,114	1,319,676	4.17
Change in Net Position	(563,999)	(2,853,573)	2,289,574	(80.24)
Beginning Net Position	2,666,739	5,520,312	(2,853,573)	(51.69)
Ending Net Position	<u>\$ 2,102,740</u>	<u>\$ 2,666,739</u>	<u>\$ (563,999)</u>	(21.15)

**Financial Analysis**

**Revenues**

Operating revenues increased by \$3,654,214 from the year ended December 31, 2023, to the year ended December 31, 2024, primarily attributable to the increase in premium rates and member enrollment.

**Expenses**

Operating expenses increased by \$1,319,676 from the year ended December 31, 2023, to the year ended December 31, 2024, primarily attributable to the increase in claims, stop loss insurance premiums, and administrative fees.

**Summary of Financial Position**

The overall financial position of the Trust has declined during the year ended December 31, 2024, with a decrease in net position of \$563,999 or 21% of total net position. The decrease in net position is attributable to the Trust using contingency reserves for rate stabilization, and increase in large claims. There are no material restrictions, commitments or other limitations that affect availability of Trust resources for future use.

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents (Notes 1.C and 2.A)	\$ 648,927
Investments (Note 2.B)	3,181,291
Accrued Interest Receivable	69,255
Accounts Receivable (Note 1.C)	<u>854,645</u>
Total Current Assets	4,754,118

**NONCURRENT ASSETS**

Investments (Note 2.B)	<u>4,747,603</u>
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Total Assets	9,501,721
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**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accrued Administrative Expenses	2,709
Accrued Claims - Reported Medical	287,272
Accrued Claim Reserves - IBNR (Notes 1.C and 3)	<u>7,109,000</u>
Total Current Liabilities	<u>7,398,981</u>

Total Liabilities	7,398,981
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**NET POSITION**

Unrestricted	<u>2,102,740</u>
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Total Net Position	<u><u>\$ 2,102,740</u></u>
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*The accompanying notes are an integral part of the financial statements.*

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**OPERATING REVENUES**

Premiums Received from Members	\$ 27,933,744
Claims and Administrative Fee Refunds	4,130,435
Total Operating Revenues	<u>32,064,179</u>

**OPERATING EXPENSES**

Medical and Rx Claims Paid	21,442,725
Medical and Rx Claims - IBNR (Note 1.C)	6,760,000
Vision Claims Paid	165,240
Vision Claims - IBNR (Note 1.C)	51,000
Dental Claims Paid	1,606,179
Dental Claims - IBNR (Note 1.C)	298,000
Administrative Fees	730,536
Other Insurance Premiums	1,627,901
Other Operating Expenses	315,209
Total Operating Expenses	<u>32,996,790</u>

**OPERATING LOSS**

(932,611)

**NONOPERATING REVENUES**

Investment Income	284,793
Realized Loss on Investments	(38,234)
Net Increase in Fair Value of Investments	122,053
Total Nonoperating Revenues	<u>368,612</u>

**CHANGE IN NET POSITION**

(563,999)

Net Position - Beginning of Year

2,666,739

**NET POSITION - END OF YEAR**

\$ 2,102,740

*The accompanying notes are an integral part of the financial statements.*

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Members	\$ 31,766,565
Cash Payments to Service Providers	(33,270,516)
Net Cash Used by Operating Activities	<u>(1,503,951)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from Maturities of Investments	3,544,211
Purchases of Investments (Including Net Discount of \$12,256)	(3,112,744)
Interest Received	267,923
Net Cash Provided by Investing Activities	<u>699,390</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(804,561)

Cash and Cash Equivalents - Beginning of Year

1,453,488

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 648,927

**RECONCILIATION OF OPERATING LOSS TO  
NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (932,611)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
(Increase)/Decrease in Operating Assets:	
Accounts Receivable	25,455
Prepaid Insurance	3,573
Accrued Administrative Expenses	560
Increase/(Decrease) in Operating Liabilities:	
Accrued Claims - Reported Medical	(474,805)
Accrued Claims - Reported Dental	(134,054)
Accrued Claims - Program Reserves	331,000
Prepaid Member Contributions	(323,069)
Net Cash Used by Operating Activities	<u><u>\$ (1,503,951)</u></u>

**NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

Net Increase in Fair Value of Investments	\$ 122,053
Net Increase in Accrued Interest	16,869
Net Decrease in Redemption of Investments	(38,234)
Total Noncash Investing, Capital, and Financing Activities	<u><u>\$ 100,688</u></u>

*The accompanying notes are an integral part of the financial statements.*

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Central Washington Public Utilities Unified Insurance Program Trust (Trust) conform to accounting principles generally accepted in the United States of America applicable to proprietary funds of governmental units as promulgated by the Governmental Accounting Standards Board. The significant accounting policies are described below.

**A. Reporting Entity**

The Trust was organized as of October 1, 1982, pursuant to the provisions of the Revised Code of Washington, Chapter 54, and interlocal governmental agreements. The Trust's general objectives are to provide a central fund for the collection and disbursement of employee benefit premiums and claims involving medical, prescription, vision, dental, life, accidental death and dismemberment (AD&D), and long-term disability (LTD) coverage.

Members of the Trust are the Public Utility District (PUD) No. 1 of Benton County, PUD No. 1 of Douglas County, PUD No. 1 of Ferry County, PUD No. 1 of Franklin County, PUD No. 2 of Grant County, PUD No. 1 of Okanogan County, and PUD No. 1 of Pend Oreille County. The Trust is governed by a board of trustees comprised of an appointed trustee and alternate trustee from each of the seven member Districts (Member). The Trust has an agreement with Principal Bank to serve as custodian and investment manager of the Trust's assets. The Trustees are authorized to negotiate for, obtain, and maintain insurance policies to provide benefits which include, but are not limited to, medical, prescription, vision, dental, stop loss, life, AD&D, and LTD insurance.

Effective August 1, 2002, the Trust established a self-insured medical plan which has been approved by the Washington State Office of Risk Management (currently the Washington State Department of Enterprise Services). Premera Blue Cross and the Trust have signed a Cost Plus Agreement for the self-insured medical, prescription, and vision services. The Trust contracted with Delta Dental of Washington (Delta) to provide dental insurance until January 1, 2009, when the Trust became self-insured for dental. Effective January 1, 2009, Delta and the Trust have signed a Cost Plus Agreement for the self-insured dental. Effective August 1, 2009, the Trust contracted with Unum to provide life insurance, AD&D insurance, and LTD insurance. Effective August 1, 2011, the Trust voted to have these costs paid directly by the individual PUD's to the Provider. Effective January 1, 2023, the Trust voted to change life and disability insurance providers and contracted with Reliance Standard.

Each participating Member is responsible for the collection and payment of contributions required for employees who are covered under the Trust program. All premiums for medical, prescription, vision, and dental are sent by each Member to the Trust. The Trust pays medical, prescription, and vision claims, and administrative fees to Premera based on the Cost Plus Agreement. The Trust pays Delta dental claims and administrative fees based on the Cost Plus Agreement.



**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

A Member may withdraw from and terminate its participation in the Trust and its obligation to make contributions to the Trust fund provided that notice of intent to withdraw by such Member is given, in writing, to the Chair on or before the beginning of the Trust year, which commences January 1 annually, and will become effective at the end of the year succeeding such notice. A withdrawn Member shall have no claim to, nor any right, title, or interest in, any money or assets of or attributable to the Trust. Trust insurance policy contractual provisions apply to all claims by employees of the withdrawing Member incurred before the date of withdrawal.

**B. Measurement Focus, Basis of Accounting**

1. Proprietary Funds

The accounting records of the Trust are maintained in accordance with methods prescribed by the State Auditor's Office under the authority of Chapter 43.09 RCW. When applicable, the Trust also follows the accounting standards established by Statement No. 10 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement 30, *Risk Financing Omnibus*, GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Funds*, and GASB Statement 72, *Fair Value Measurement and Application*.

The financial statements are reported using the economic resources measurement focus and the full-accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred.

The principal operating revenues of the Trust are Member contributions. Nonoperating revenues represent income from investments.

Operating expenses include medical, prescription, vision, and dental claims, administrative fees, bank fees, broker fees, accounting fees, stop loss insurance premiums, insurance premiums, and self-insurance program fees.

**C. Assets, Liabilities, Fund Balance, Net Position**

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Trust considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments

See Note 2.B.

3. Receivables

Receivables consist of accrued rebates and refunds for claims paid during the year.

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Fund Balance, Net Position (Continued)**

4. Capital Assets

The Trust owns no capital assets.

5. Unpaid Claims Liabilities

The Trust establishes a program reserve for claims liabilities based on estimates of the ultimate cost of claims, including future claim adjustment expenses, that have been reported but not settled, and claims that have been incurred but not reported (IBNR). The liability for IBNR is based on 16 weeks of average medical, and 8 weeks of vision, prescription and dental claims.

Actual claims costs depend on complex factors such as inflation, plan utilization by members, medical trends, changes in doctrines of legal liability, and damage awards. Therefore, the process used in computing claims liabilities does not necessarily result in an exact amount.

Claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

6. Trust Premiums

Trust premiums are set annually and are effective January 1. Premiums include medical, prescription, vision, and dental coverage. Trust premiums are paid monthly by each Member based upon the number of covered employees and their covered dependents and the contract year's premium. In addition, eligible retired employees are offered COBRA medical, prescription, vision, and dental coverage through the Trust. Participating Members may hire a third-party administrator to manage the collection of premiums from retired employees and make remittance to the Trust.

7. Unpaid Claims

Claims are charged to income as incurred. Claims reserves represent the accumulation of estimates for reported, unpaid claims, plus a provision for claims IBNR. Claims reserves are recomputed looking at past average monthly claims. These estimates are reviewed and updated on an annual basis and any resulting adjustments are reflected in current earnings.

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Fund Balance, Net Position (Continued)**

**8. Trust Held Reserves**

The Trust amended its financial reserve policy in October 2022, complying with guidelines for self-insured employee health benefit programs issued by the Washington State Department of Enterprise Services and WAC 200-110-040. Under the policy, the Trust maintains reserves in two accounts, the Program Reserve and the Contingency Reserve. The Program Reserve is required by WAC 200-110-040 and is intended to fully fund the IBNR claims liability of the Trust in an amount equal to 16 weeks for claims arising from medical, and 8 weeks of vision, prescription, and dental claims. The Contingency Reserve is not required by statute and is intended to provide working capital with a targeted balance equivalent to eight weeks of medical, vision, prescription and dental claims. Average program expenses are based on the past rolling 12 months ending in April. As of December 31, 2024, the Program Reserve exceeded required funding level by \$348,760 or 5%, and the Contingency Reserve was below the target reserve level by \$3,392,665 or 79%, netting 27% below target levels. Targeted reserve levels are revised annually in accordance with the financial reserve policy and adjusted, as needed.

The Trust does not show a reserve for unallocated loss adjustment expenses, as an actuary or actuarial method is not used to calculate IBNR. The Trust has chosen to follow a nonactuarial method by using estimated monthly expenses multiplied by the reserve month by benefit to meet applicable requirements.

**9. Stop Loss Insurance**

The Trust purchases stop loss coverage for medical and prescription coverage to reduce its exposure to large losses on all types of insured events. Stop loss insurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Trust as direct insurer of the risks reinsured. The Trust does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. The individual and aggregate stop losses are negotiated based on the size of the group. The reimbursement is 100% in excess of the individual deductible, with an aggregate maximum of \$1,000,000 per policy period.

The following shows the stop loss policy:

Policy Dates	Insurance Company	Type of Coverage	Estimated Attachment Point
1/1/24 – 12/31/24	LifeWise Assurance Company	Group Excess Loss, Medical, Prescription	\$ 25,769,153

Individual Stop Loss Deductible	\$250,000
Aggregate Stop Loss Deductible	125% of Expected Claims

The amount of Funded Stop Loss from LifeWise amounted to \$1,977,027 for the year ended December 31, 2024.

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Fund Balance, Net Position (Continued)**

10. Exempt from Federal and State Taxes

Pursuant to revenue ruling number 90-74, income of Municipal Risk Pools is excluded from gross income under Internal Revenue Code Section 115(1).

Chapter 48.62 RCW exempts the Trust from insurance premium taxes, and business and occupation taxes imposed pursuant to Chapter 82.04 RCW.

**NOTE 2 DEPOSITS AND INVESTMENTS**

**A. Deposits**

The Trust deposits were held in a money market account under an Investment Manager and Custodian Agreement with a major national bank as of December 31, 2024.

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Trust would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Trust deposits are entirely covered by collateral held in a multiple financial institution collateral pool administered by the PDPC.

Under state law, public funds may only be deposited with institutions that are approved by the Washington Public Deposit Protection Commission (PDPC). Public depositories in turn are required to report public funds held to the PDPC and abide by requirements set forth in state law. Under the PDPC, public deposits are entirely insured by collateral held in a multiple financial institution collateral pool administered by the PDPC. Public depositories may be assessed on a prorated basis if the pool's collateral is insufficient to cover a loss. All amounts held in the Trust at December 31, 2024, have been reported to the PDPC.

**B. Investments**

Investments are subject to the following risks.

*Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Trust manages its exposure to declines in fair values by matching investment maturities to meet anticipated cash flow requirements. The policy states unless matched to a specific cash flow, the CWPU UIP will not directly invest in securities maturing more than three (3) years from the date of purchase or in accordance with state and CWPU UIP requirements.

*Credit risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trust's investment policy conforms with State law which restricts investment of public funds to debt securities of the U.S. Treasury, U.S. Government agencies, and certain other U.S. Government sponsored corporations, certificates of deposit and other evidences of deposit at financial institutions qualified by the PDPC, and other investments allowed by Chapter 39.59 RCW.

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

*Concentration of credit risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Trust's investment makeup at December 31, 2024, conformed with state law related to investment of public funds, as all investments were restricted to debt securities and obligations of the U.S. Treasury and its Agencies.

*Custodial credit risk:* This is the risk that in event of a failure of the counterparty to an investment transaction the Trust would not be able to recover the value of the investment or collateral securities. Of the Trust's total position of \$7,928,894 fair value in debt securities and obligations of the U.S. Treasury and its Agencies, \$-0- is exposed to custodial credit risk since the investments are held at the Federal Reserve.

**Investments Measured at Fair Value**

GASB Statement 72, *Fair Value Measurement and Application*, has the primary objective to address the reporting issues related to fair value measurements. This statement provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Trust measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted market prices that are not observable;

Level 3: Unobservable inputs for an asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At December 31, 2024, the Trust had the following investments measured at fair value:

	Total	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Treasury Securities	\$ 7,928,894	\$ -	\$ 7,928,894	\$ -
U.S. Agency Securities	-	-	-	-
Total	<u>\$ 7,928,894</u>	<u>\$ -</u>	<u>\$ 7,928,894</u>	<u>\$ -</u>

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

As of December 31, 2024, the Trust had the following investments at their face value and fair market value, using the last traded or closing price from actual, live market prices:

Investments	Maturities	Face Values	Fair Values
US Treasury Note	1/31/25	\$ 100,000	\$ 99,977
US Treasury Note	1/31/25	250,000	249,942
US Treasury Note	2/28/25	100,000	100,028
US Treasury Note	2/28/25	250,000	250,070
US Treasury Note	3/31/25	100,000	99,898
US Treasury Note	3/31/25	250,000	247,765
US Treasury Note	4/30/25	100,000	99,849
US Treasury Note	4/30/25	200,000	197,462
US Treasury Note	5/15/25	50,000	49,725
US Treasury Note	5/31/25	250,000	245,943
US Treasury Note	6/15/25	200,000	198,792
US Treasury Note	6/30/25	50,000	50,120
US Treasury Note	7/15/25	50,000	49,678
US Treasury Note	7/31/25	250,000	250,687
US Treasury Note	8/31/25	250,000	251,208
US Treasury Note	9/15/25	250,000	248,670
US Treasury Note	10/15/25	250,000	250,063
US Treasury Note	11/30/25	250,000	241,415
US Treasury Note	1/15/26	50,000	49,833
US Treasury Note	1/15/26	250,000	249,167
US Treasury Note	3/31/26	300,000	287,352
US Treasury Note	4/15/26	50,000	49,683
US Treasury Note	5/31/26	250,000	238,105
US Treasury Note	12/31/26	250,000	235,793
US Treasury Note	1/31/27	250,000	236,427
US Treasury Note	2/28/27	250,000	237,825
US Treasury Note	3/31/27	250,000	240,725
US Treasury Note	4/15/27	250,000	251,255
US Treasury Note	5/31/27	250,000	240,670
US Treasury Note	6/15/27	250,000	252,095
US Treasury Note	6/30/27	50,000	48,827
US Treasury Note	7/15/27	250,000	250,643
US Treasury Note	8/31/27	250,000	242,800
US Treasury Note	9/30/27	50,000	49,803
US Treasury Note	9/30/27	250,000	249,012
US Treasury Note	10/15/27	300,000	296,847
US Treasury Note	10/31/27	50,000	49,803
US Treasury Note	11/30/27	250,000	247,178
US Treasury Note	2/29/28	250,000	247,727
US Treasury Note	4/30/28	250,000	243,695
US Treasury Note	9/30/28	250,000	252,337
Totals		<u>\$ 8,050,000</u>	<u>\$ 7,928,894</u>

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 3 UNPAID CLAIMS LIABILITY**

As discussed in Note 1, the Trust establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustments expenses, both allocated and unallocated. The following represents changes in those aggregate liabilities for the Trust during the year ended December 31:

**RECONCILIATION OF CLAIMS LIABILITIES**

	2024	2023
Unpaid Claims and Claim Adjustment Expenses - Beginning of Year	\$ 7,674,132	\$ 7,405,560
Incurring Claims and Claim Adjustment Expenses:		
- Provision for Insured Events of the Current Year	30,323,144	29,475,644
- Increases in Provision for Insured Events of Prior Years	-	-
Total Incurred Claims and Claim Adjustment Expenses	<u>\$ 37,997,276</u>	<u>\$ 36,881,204</u>
Payments for Claims and Claims Adjustment Expenses:		
- Attributable to Insured Events of the Current Year	\$ (22,926,872)	\$ (21,801,512)
- Attributable to Insured Events of Prior Years	<u>(7,674,132)</u>	<u>(7,405,560)</u>
Total Payments	<u>\$ (30,601,004)</u>	<u>\$ (29,207,072)</u>
Total Unpaid Claims and Claim Adjustment Expenses - End of Year	\$ 7,396,272	\$ 7,674,132
Unallocated Loss Adjustment Expense/Claims Reserve - End of Year	-	-
Total Claims Reserves at the End of Year	<u>\$ 7,396,272</u>	<u>\$ 7,674,132</u>

At December 31, 2024, \$7,396,272 of unpaid claims and claim adjustment expenses are presented as the excess of total incurred claims and claim adjustments over total payments.

**NOTE 4 RISK FINANCING LIMITS**

The following table reflects the risk financing limits on coverage policies issued and retained by the Trust at December 31:

Type of Coverage	Deductible	Self-Insured Retention	Excess Limits
Fiduciary Liability	\$-0-	\$-0-	\$1,000,000 each policy period; \$250,000 HIPAA Sublimit each policy period
Commercial Crime	\$5,000	\$-0-	\$1,000,000 each loss
Cyber Security	\$10,000	\$-0-	\$1,000,000 each loss



**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 5 MEMBERS' SUPPLEMENTAL ASSESSMENTS AND CREDITS**

The Trust interlocal governmental agreement does not provide for supplemental assessments and credits to members.

**NOTE 6 SOLVENCY**

**For Health and Welfare Pools (Joint Pools)**

Washington Administrative Code (WAC) 200-110-040 requires all joint health and welfare programs self-insuring medical benefit programs to establish program reserves (monies set aside to pay expenses) in an amount equal to 16 weeks of program expenses. The WAC requires vision, dental, and prescription drug benefit programs or any combination of programs to establish program reserves in an amount not less than eight weeks of program expenses for each program offered. An additional contingency reserve for vision, dental, or prescription drug programs is also recommended, but not required.

<b>Medical 16 Weeks Claims Test</b>	
<u>Program Expenses</u>	
Medical Claims Paid	\$ 20,540,752
Other Operating Expenses Related to Medical Claims	437,183
Other Operating Expenses Other than Related to Medical	1,330,780
Total	22,308,715
<u>Minimum Program Reserves</u>	
Total Program Expenses	22,308,715
Divided by 52	429,014
Multiplied by 16	6,864,224
Total Expected Program Reserves	6,864,224
<u>Actual Program Reserves</u>	
Program Reserves	6,864,224
<b>16 Weeks Claims Test</b>	<b>Met</b>



**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 6 SOLVENCY (CONTINUED)**

<b>Eight Weeks Claims Test</b>		<b>Additional Contingency Reserve</b>	
<u>Program Expenses</u>		<u>Program Expenses</u>	
Dental/Vision and Rx Claims Paid	\$ 9,451,392	Dental/Vision and Rx Claims Paid	\$ 9,451,392
Other Operating Expenses Related to Medical Claims	293,351	Other Operating Expenses Related to Medical Claims	293,351
Other Operating Expenses Other than Related to Medical Claims	612,330	Other Operating Expenses Other than Related to Medical Claims	612,330
Total	10,357,073	Total	10,357,073
<u>Minimum Program Reserves</u>		<u>Minimum Program Reserves</u>	
Total Program Expenses	10,357,073	Total Program Expenses	10,357,073
Divided by 52	199,174	Divided by 52	199,174
Multiplied by 8	1,593,392	Multiplied by 8	1,593,392
Total Expected Program Reserves	1,593,392	Total Expected Program Reserves	1,593,392
<u>Actual Program Reserves</u>		<u>Reserves after Meeting 8 Weeks Test</u>	
Program Reserves	1,593,392	Program Reserves - 8 Weeks of Claims	120,205
<b>Eight Weeks Claims Test</b>	<b>Met</b>	<b>Additional Contingency Reserve</b>	<b>Unmet</b>

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Reconciliation of Claims Liabilities by Type of Contract**

The schedule below presents the changes in claims liabilities for the past two years, for the Trust's two types of contracts: medical and dental health care benefits.

	<b>Medical</b>		<b>Dental</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Unpaid Claims and Claim Adjustment Expenses at Beginning of Year	\$ 7,241,077	\$ 7,108,560	\$ 433,055	\$ 579,000
Incurred Claims and Claim Adjustment Expenses:				
- Provision for Insured Events of the Current Year	28,418,965	27,642,883	1,904,179	1,832,761
- Increases in Provision for Insured Events of Prior Years	-	-	-	-
Total Incurred Claims and Claim Adjustment Expenses	<u>35,660,042</u>	<u>34,751,443</u>	<u>2,337,234</u>	<u>2,411,761</u>
Payments for Claims and Claims Adjustment Expenses:				
- Attributable to Insured Events of the Current Year	(21,320,693)	(20,401,806)	(1,606,179)	(1,399,706)
- Attributable to Insured Events of Prior Years	<u>(7,241,077)</u>	<u>(7,108,560)</u>	<u>(433,055)</u>	<u>(579,000)</u>
Total Payments	<u>(28,561,770)</u>	<u>(27,510,366)</u>	<u>(2,039,234)</u>	<u>(1,978,706)</u>
Total Unpaid Claims and Claim Adjustment Expenses at End of Year	<u>\$ 7,098,272</u>	<u>\$ 7,241,077</u>	<u>\$ 298,000</u>	<u>\$ 433,055</u>

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
REQUIRED SUPPLEMENTAL INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Ten-Year Claims Development Information**

The following table illustrates how the Trust's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Trust as of the end of each of the past 10 years. The rows of the table are defined as follows:

1. This line shows the total of each fiscal year gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue.
2. This line shows each fiscal year's other operating costs of the Trust including overhead and claims expense not allocable to individual claims.
3. This line shows the Trust's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers, and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. This section of ten rows shows the cumulative net amounts paid as of the end of successive years for each policy year.
5. This line shows the latest re-estimated amount of claims assumed by reinsurers as of the end of the current year for each accident year.
6. This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (The annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.)
7. This line compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
REQUIRED SUPPLEMENTAL INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Ten-Year Claims Development Information (Continued)**

CENTRAL WASHINGTON PUBLIC UTILITIES UNIFIED INSURANCE PROGRAM TRUST										
	Medical Program - Policy Years* Ended (in Thousands of Dollars)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1. Required Contribution and Investment Revenue:										
Earned	17,145	18,031	19,373	19,466	20,724	20,605	20,064	19,962	22,890	25,425
Ceded	756	551	611	661	652	774	852	1,059	1,206	1,591
Net Earned	16,389	17,480	18,762	18,805	20,072	19,831	19,212	18,903	21,684	23,834
2. Unallocated Expenses	362	301	216	243	283	258	284	286	293	315
3. Estimated Claims and Expenses, End of Policy Year:										
Earned	18,373	18,989	19,599	22,296	18,365	18,591	26,076	24,472	28,862	30,359
Ceded	545	152	-	367	34	200	1,319	1,008	1,219	1,940
Net Earned	17,828	18,837	19,599	21,929	18,331	18,391	24,757	23,464	27,643	28,419
4. Net Paid (Cumulative) as										
End of Policy Year	-	-	-	2	1	(2)	10	16	2,423	25,222
One Year Later	-	-	-	-	-	1	22	1,539	25,580	
Two Years Later	-	-	-	-	(1)	(10)	1,648	22,689		
Three Years Later	-	-	-	4	10	1,524	21,909			
Four Years Later	(1)	(3)	(3)	(3)	960	17,351				
Five Years Later	-	-	29	1,279	16,868					
Six Years Later	(3)	(4)	1,172	17,437						
Seven Years Later	(108)	1,245	17,605							
Eight Years Later	1,177	16,943								
Nine Years Later	15,947									
5. Reestimated Ceded Claims and Expenses	Information not available. See Note 1.C for further information.									
6. Reestimated Net Incurred Claims and Expenses	Information not available. See Note 1.C for further information.									
7. Estimated Net Incurred Claims and Expenses from	Information not available. See Note 1.C for further information.									

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
LIST OF PARTICIPATING MEMBERS**

PUD No. 1 of Benton County  
PUD No. 1 of Douglas County  
PUD No. 1 of Ferry County  
PUD No. 1 of Franklin County  
PUD No. 2 of Grant County  
PUD No. 1 of Okanogan County  
PUD No. 1 of Pend Oreille County

**CENTRAL WASHINGTON PUBLIC UTILITIES  
UNIFIED INSURANCE PROGRAM TRUST  
DES SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**INSURANCE MEMBERS**

Medical and Rx Claims Paid	\$ 21,442,725
Medical and Rx Claims - IBNR (Note 1.C)	6,760,000
Vision Claims Paid	165,240
Vision Claims - IBNR (Note1.C)	51,000
Dental Claims Paid	1,606,179
Dental Claims - IBNR	298,000

**CONTRACTED SERVICES**

Administrative Fees	730,536
Other Insurance Premiums	1,627,901
Advocacy and Other	23,485
Accounting	32,508
Actuarial	142,800
Audit	11,684

**GENERAL ADMINISTRATIVE EXPENSES**

Bank Fees	17,470
Liability Insurance, Legal Consultation, ACA Fees	<u>87,262</u>

Total Operating Expenses	<u><u>\$ 32,996,790</u></u>
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## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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