



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements Audit Report

## Enduris Washington

For the period September 1, 2023 through August 31, 2025

*Published April 27, 2026*

Report No. 1039506



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

April 27, 2026

Board of Directors  
Enduris Washington  
Spokane, Washington

**Report on Financial Statements**

Please find attached our report on Enduris Washington'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*

#### **Enduris Washington September 1, 2023 through August 31, 2025**

Board of Directors  
Enduris Washington  
Spokane, 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 Enduris Washington, as of and for the years ended August 31, 2025 and 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 April 13, 2026.

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

In planning and performing our audits 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 opinions 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.



Pat McCarthy, State Auditor

Olympia, WA

April 13, 2026

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Enduris Washington September 1, 2023 through August 31, 2025**

Board of Directors  
Enduris Washington  
Spokane, Washington

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

### **Opinions**

We have audited the accompanying financial statements of Enduris Washington, as of and for the years ended August 31, 2025 and 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 Enduris Washington, as of August 31, 2025 and 2024, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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 opinions.

### **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 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 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 the Department of Enterprise Services (DES) Schedule of Expenses and the List of Participating Members 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 opinions on the basic financial statements do 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 April 13, 2026 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 style with a large initial "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

April 13, 2026

## **FINANCIAL SECTION**

### **Enduris Washington September 1, 2023 through August 31, 2025**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2025 and 2024

#### **BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2025 and 2024

Statement of Revenues, Expenses and Changes in Net Position – 2025 and 2024

Statement of Cash Flows – 2025 and 2024

Notes to the Financial Statements – 2025 and 2024

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Ten-Year Claim Development Information – 2025 and 2024

Comparative Schedule of Claim Development, Earned Contributions and Unallocated Expenses – 2025

Comparative Schedule of Claim Development, Earned Contributions and Unallocated Expenses – 2024

Reconciliation of Claim Liabilities by Type of Contract – 2025 and 2024

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3 – 2025 and 2024

Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2025 and 2024

Notes to Pension Required Supplementary Information – 2025 and 2024

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Department of Enterprise Services (DES) Schedule of Expenses – 2025 and 2024

List of Participating Members – 2025

## Management's Discussion and Analysis

Enduris is a risk pool in Washington state for local governments and special-purpose districts. During the fiscal year that ended on August 31, 2025, the Pool had 497 members, down from 507 in fiscal year 2024. These members included 17 different types of special-purpose entities spread across all 39 counties in the state. The mission of Enduris is to provide financial protection, broad coverage, and risk management services responsive to members' needs. Members "pool" resources to share risk and reduce cost. By blending the risk exposures of a diverse membership and the total insured values of the membership, Enduris secures excess/reinsurance above the Pool's self-insured retentions from the commercial market on a more cost-effective basis. As the risk management arm of its members, the Pool manages claims and provides a broad array of in-depth loss control services, training, and risk consultation.

This discussion and analysis provide an overview of Enduris's (Enduris or the Pool) financial activities for the fiscal years ended August 31, 2025, and 2024. Please read it in conjunction with the financial statements, notes to financial statements, and required supplementary information included in this report.

## Financial Highlights

- Part of Enduris's mission is to ensure the Pool's long-term financial protection and stability; to do that, the Board has prioritized continuing to build the net position. During 2025, Enduris engaged PricewaterhouseCoopers LLP (PwC), its actuary, to update the Pool's assessment of capital adequacy. This evaluation helps management and the Board confirm that financial strength indicators align with member expectations. PwC determined that the recommended risk capital target for the Pool's Net Position should be \$40–\$70 million, an increase from \$36–\$62 million in 2024. Board policy mandates that the Pool's capital remains within these target ranges. As of August 31, 2025, the Pool's Net Position stood at \$51.4 million, which is just below the midpoint of the capital target range.
- Enduris's net position grew by \$8.2 million in fiscal 2025 and \$10.6 million in 2024, ending at \$51.4 million and \$43.2 million, respectively. This exceeds the 97% confidence level for claim reserves, well above the required minimum of 80% (WAC 200-100-03001). These solvency standards measure the Pool's liquid and total assets in relation to its financial obligations.
- Although the Board budgeted for zero net operating income in order to maintain the lowest possible member rates, Enduris achieved a net operating income of \$5.2 million in 2025 and \$7.8 million in 2024, attributable to lower-than-anticipated claim and reinsurance costs. Non-operating investment returns further contributed \$2.9 million in 2025 and \$1.9 million in 2024, primarily due to increased cash balances and rising interest rates.
- Member contributions increased 10%, from \$28.2 million in 2024 to \$31.0 million in 2025, due to higher coverage rates, risk adjustments, and member exposure growth. The Pool works to keep rates fair and less volatile than in the commercial market.
- Extreme weather, aging infrastructure, rising costs, and social inflation affect claim frequency and severity. In 2025, Pool members reported unusually low property losses. Claims expense was \$9.1 million; Enduris paid \$10.2 million, recovered \$4.7 million, and recorded net claims of \$5.5 million, consistent with prior years. PwC increased the unpaid claims reserve by \$3.6 million to a total of \$20.4 million.
- As of July 1, 2023, Enduris raised its property claim SIR from \$250,000 to \$500,000 per event; liability claim SIR remains \$1 million per occurrence. For losses above these amounts, the Pool secures reinsurance. Excess and reinsurance premiums for 2025 increased by \$0.4 million (3%), after larger hikes in 2024 and 2023. Over the last five years, costs have more than doubled due to frequent weather-related claims, social inflation, higher construction costs, and more significant liability and cyber claims, resulting in higher prices and fewer coverage choices. Despite strong reinsurer relationships, renewal challenges are likely to persist because of market conditions and claims history.
- Enduris' membership remains relatively steady. We welcomed four new members in 2025, while fourteen members chose not to renew or were terminated. Mergers and dissolutions are up, and there has been a slight uptick in competition. Our focus is on retaining good members and adding only new members who reduce the Pool's overall risk. Members reported excellent service in recent surveys. The Pool held over 100 visits, joined 21 conferences, and delivered 31 webinars to more than 860 attendees. The Claims Team handled 232 new claims this year.

## Management's Discussion and Analysis (continued)

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### Overview of the Financial Statements

The Pool reports its activities as an enterprise fund, a proprietary fund that uses full accrual accounting. Enduris' financial statements consist of the following components: basic financial statements, notes to the financial statements, required supplementary information, and required supporting schedules.

### Basic Financial Statements

The three basic financial statements required for proprietary funds include a "Statement of Net Position," a "Statement of Revenues, Expenses, and Changes in Net Position," and a "Statement of Cash Flows."

The "Statement of Net Position" presents information on the Pool's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Increases or decreases in net position over time may be a helpful indicator of whether the Pool's financial position is improving or deteriorating.

The "Statement of Revenues, Expenses, and Changes in Net Position" presents information showing how the Pool's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, this statement reports revenues and expenses for some items that will result in cash flows in future years.

The "Statement of Cash Flows" presents information on cash flow provided by and used in activities. These activities are classified into operating activities, capital, and related financing activities, and investing activities.

### Notes to the Financial Statements

The notes are an integral part of the financial statements and provide additional information essential to a complete understanding of the financial statement data.

### Required Supplementary Information

The Required Supplementary Information (RSI) contains other information the Government Accounting Standards Board (GASB) deems necessary. This includes pension trend data and revenue and claims development trend data.

### Supplementary and Other Information

Supplementary and Other Information contains other information that the State Auditor's Office deems necessary for risk pools. It includes the DES Schedule of Expenses and the List of Participating Members.

## Management’s Discussion and Analysis (continued)

### Financial Statement Analysis

#### Condensed Comparative Statement of Net Position

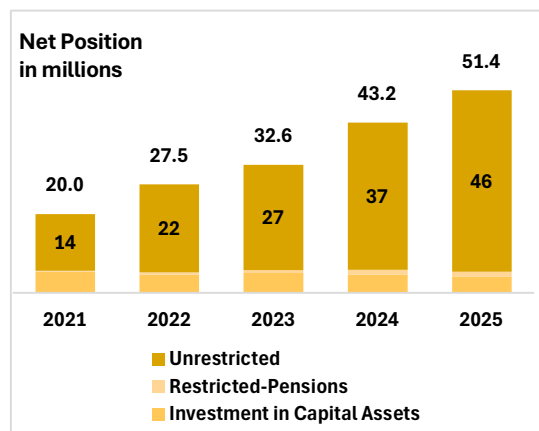
This table provides a three-year comparative summary of the Statement of Net Position at the end of the Pool’s fiscal year, August 31<sup>st</sup>. All comparative information and our management discussion and analysis relate to the fiscal year.

Three-Year Condensed Comparative Statement of Net Position					
As of August 31 <sup>st</sup> – Dollars in Millions					
	2025	Increase (Decrease) \$	2024	Increase (Decrease) \$	2023
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 76.1	\$ 11.7	\$ 64.4	\$ 12.2	\$ 52.2
Prepaid Excess/Reinsurance	8.9	(0.5)	9.4	(1.0)	10.4
Other Current Assets <sup>(1)</sup>	1.8	0.8	1.0	(1.3)	2.3
Capital Assets, net <sup>(1)</sup>	4.2	(0.4)	4.6	(0.4)	5.0
Investment in GEM	3.7	(0.1)	3.8	0.7	3.1
Lease Receivable	1.4	(1.0)	2.4	-	2.4
Pension Asset	0.6	0.1	0.5	(0.1)	0.6
<b>Total Assets</b>	<b>\$ 96.7</b>	<b>\$ 10.6</b>	<b>\$ 86.1</b>	<b>\$ 10.1</b>	<b>\$ 76.0</b>
<b>Deferred Outflow related to Pensions</b>	<b>\$ 0.7</b>	<b>\$ -</b>	<b>\$ 0.7</b>	<b>\$ 0.2</b>	<b>\$ 0.5</b>
<b>Liabilities:</b>					
Unearned Member Contributions	\$ 23.0	\$ -	\$ 23.0	\$ 1.6	\$ 21.4
Claims Reserves	20.4	3.6	16.8	(1.4)	18.2
Other Current Liabilities <sup>(1)</sup>	0.9	0.2	0.7	-	0.7
Other Non-Current Liabilities <sup>(1)</sup>	0.3	(0.4)	0.7	(0.2)	0.9
<b>Total Liabilities</b>	<b>\$ 44.6</b>	<b>\$ 3.4</b>	<b>\$ 41.2</b>	<b>\$ 0.0</b>	<b>\$ 41.2</b>
<b>Deferred Inflow related to Pensions</b>	<b>\$ 0.2</b>	<b>\$ -</b>	<b>\$ 0.2</b>	<b>\$ (0.2)</b>	<b>\$ 0.4</b>
<b>Deferred Inflow related to Leases <sup>(2)</sup></b>	<b>\$ 1.2</b>	<b>\$ (1.0)</b>	<b>\$ 2.2</b>	<b>\$ (0.1)</b>	<b>\$ 2.3</b>
<b>Net Position:</b>					
Investment in Capital Assets <sup>(1)</sup>	\$ 4.2	\$ (0.4)	\$ 4.6	\$ (0.4)	\$ 5.0
Restricted Net Position related to Pensions	1.2	(0.1)	1.3	0.5	0.8
Unrestricted Net Position <sup>(1)</sup>	46.0	8.7	37.3	10.5	26.8
<b>Total Net Position</b>	<b>\$ 51.4</b>	<b>\$ 8.2</b>	<b>\$ 43.2</b>	<b>\$ 10.6</b>	<b>\$ 32.6</b>

- (1) Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), and GASB Statement No. 101, *Compensated Absences*, were both adopted in 2023, and Enduris applied the new standards retroactively as required under GASB Statement No. 100, *Accounting for Changes and Error Corrections*.

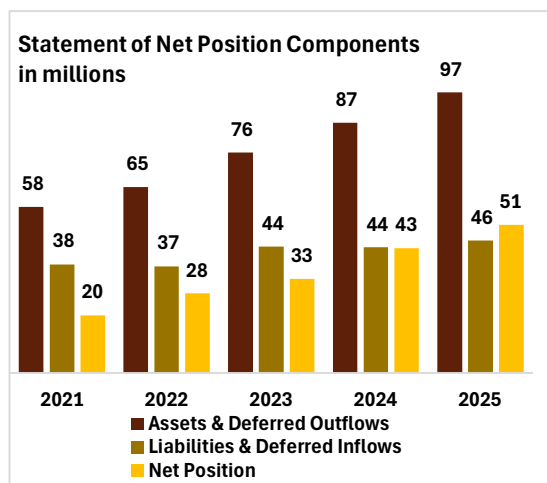
#### Net Position

In 2025, Enduris engaged PricewaterhouseCoopers LLP (PWC), our actuary, to update the assessment of the Pool’s capital adequacy. Management and the board use financial metrics to evaluate the Pool’s strength and inform business decisions. PWC determined the target Net Position range is \$40-\$70 million, up from \$36-\$62 million in 2024. Board policy requires alignment with this range. As of August 31, 2025, Enduris’ Net Position was \$51.4 million, slightly below the \$55 million midpoint of the target range. Enduris’ net position was \$43.2 million in 2024 and \$32.6 million in 2023. Net position comprises a \$4.2 million investment in capital assets, \$1.2 million in restricted net position for pensions, and \$46.0 million in unrestricted net position.



## Management’s Discussion and Analysis (continued)

Below are the Statement of Net Position components for the past five years.

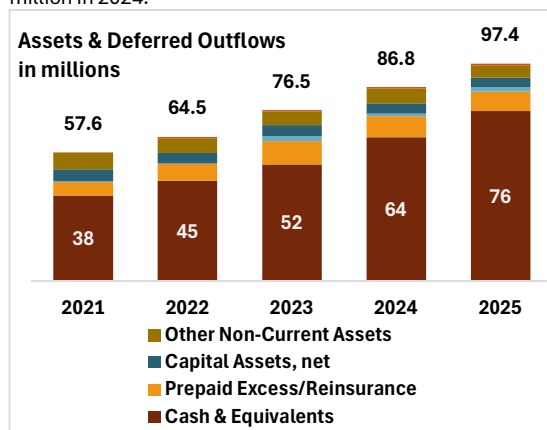


Assets and deferred outflows increased by \$39 million over the past five years as the Pool sought to enhance liquidity and net position. The principal contributor was a \$41 million rise in cash and equivalents. In contrast, liabilities and deferred inflows grew by only \$8 million, primarily due to higher unearned member contributions and modestly increased claims reserves. As a result, the Pool’s net position expanded from \$20 million in 2021 to \$51 million at the close of 2025.

A comprehensive review of the Statement of Net Position and the associated Changes in Net Position will be provided throughout the remainder of our management discussion and analysis, with emphasis on developments over the past two years.

### Assets and Deferred Inflows

On August 31, 2025, total assets were \$96.7 million, with deferred pension outflows at \$0.7 million, totaling \$97.4 million—a 12% (\$10.6 million) increase from the \$86.8 million in 2024.



Most of the Pool’s assets are liquid, held as **Cash and Equivalents** in the LGIP and SPIF. As of August 31, 2025, the balance reached \$76.1 million, up from \$64.4 million at the end of 2024 and \$52.2 million at the end of 2023. The increase in both years was primarily attributable to favorable net earnings, as well as the scheduling of claim payments and the timing of receipt of subsequent policy-year member contributions.

**Prepaid Excess/Reinsurance** is the second largest asset. The 2025 balance of \$8.9 million is down \$0.5 million from 2024. The balance was down by \$1.0 million in 2024 due to the timing of receiving the \$1.5 million liability reinsurance invoice. The cost of reinsurance has increased dramatically in the last five years. Enduris procures property reinsurance in July and liability reinsurance in August each year. The premiums are capitalized and amortized over the policy period, so rising premiums have significantly impacted this asset balance.

As of August 31, 2025, **Capital Assets** had a total net book value of \$4.2 million, down from \$4.6 million in 2024 and \$5.0 million in 2023, with the reductions mainly due to depreciation and amortization. The Pool’s investments in capital assets include land, our office building, furnishings, equipment, vehicles, and intangible right-to-use assets.

**Government Entities Mutual, Inc., PCC (GEM)** is a captive insurance company owned by Member public entity risk pools. Enduris invested approximately \$1.0 million in GEM in 2003. The remaining balance reflects the Pool’s proportionate share of GEM’s cumulative net earnings. In 2025, the loss was \$0.1 million; in 2024, the gain was \$0.7 million.

The **Lease Receivable** of \$1.4 million at year-end 2025 and \$2.4 million for 2024 and 2023 represents the present value of future lease payments for Pool’s twenty-year lease with Spokane Regional Clean Air Agency (SRCAA). The \$1.0M reduction in fiscal 2025 results from a contract amendment requiring the Pool to remeasure the lease receivable.

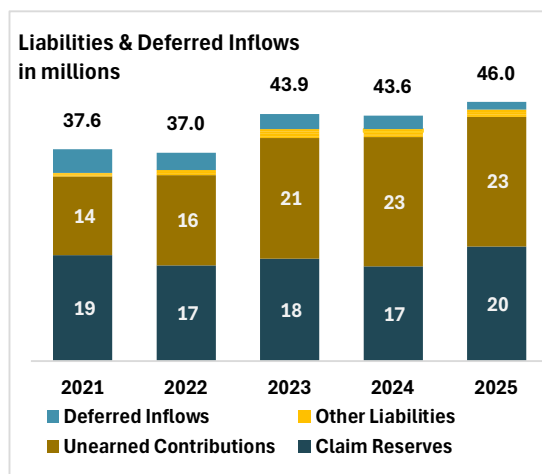
The \$0.6 million **Pension Asset** at fiscal year-end 2025 is up slightly, from \$0.5 million in 2024 and flat to the 2023 balance. These balances correlate to the Deferred Inflow related to Pensions.

### Liabilities and Deferred Inflows

**Total Liabilities were reported at \$44.6 million, while Deferred Inflows stood at \$1.4 million as of the end of fiscal year 2025. Combined, these amounts totaled \$46.0 million, an increase of \$2.4 million from 2024. Claim Reserves rose by \$3.6 million, which was partially offset by a \$1.0 million decrease in Deferred Inflows related to Leases, consistent with a reduction in the Lease Receivable asset. In 2024, the total balance was \$43.6 million, slightly less than the \$43.9 million recorded in 2023. Claim Reserves fell by \$1.4 million, but this decrease was offset by a \$1.6 million increase in Unearned Member Contributions.**

## Management’s Discussion and Analysis (continued)

As of August 31, 2025, and 2024, Unearned Member Contributions accounted for 50% of total liabilities, while Claim Reserves made up 40%.

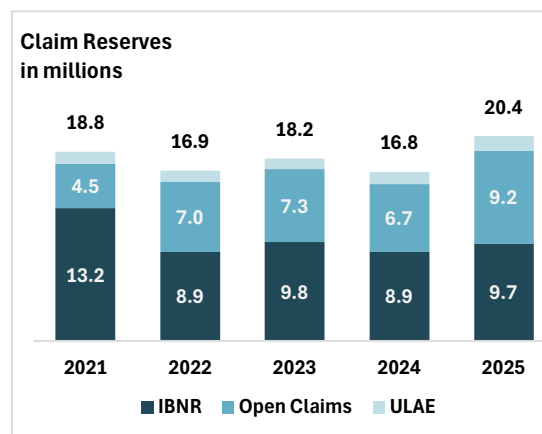


**Unearned member contributions** totaled \$23.0 million at the end of 2025, unchanged from 2024, when they increased by \$1.6 million compared to 2023. Contributions are due on September 1st, and invoices are now distributed earlier to encourage timely payment.

**Claim Reserves** reflect actuarial estimates of unpaid liabilities for open claims, incurred but not reported claims (IBNR), and unallocated loss adjustment expenses (ULAE).

Coverage with Enduris is primarily on an occurrence-based form. This means that claims incurred in prior years may be reported and paid in future years. Accounting principles require the Pool to work with our actuary, PricewaterhouseCoopers LLP (PWC), to establish estimates for the components of the Pool’s liability for claim reserves each year. The actuarial assessment includes a review of the adequacy of Pool reserves for unpaid liabilities related to existing, known claims (Open Claims). The IBNR reserve component is a provision for potential adverse development on known claims and incurred but not reported claims. The provision for ULAE liabilities reflects the external cost of administering unpaid claims, if required. Estimates are determined by evaluating multiple complex variables, such as fluctuations in membership, exposure, historical loss data, policy limits, and deductibles.

**Claim Reserves** rose by \$3.6 million, from \$16.8 million in fiscal 2024 to \$20.4 million in 2025, partially offsetting the \$1.4 million drop from 2023 to 2024.



For 2025, the majority of the \$3.6 million increase in Claim Reserves was from Open Claims (up \$2.5 million), with estimated IBNR reserves also increasing (up \$0.8 million), and the ULAE reserve increasing by \$0.3 million. In addition to a \$1.6 million increase in prior period loss estimates, payments over the past year were \$1.8 million lower than the new losses incurred for accident year 2025 (\$5.5 million vs. \$7.3 million). Property losses of \$1.1 million in 2025 are unusually low, even with the increase in retention from \$250,000 to \$500,000.

For 2024, the \$1.4 million decline was primarily due to a \$5.0 million decrease in prior-year loss estimates (primarily favorable development in liability losses), offset by a \$3.5 million excess of new losses incurred over payments in 2024.

The change in the net unpaid estimate for both years is summarized in the table below.

Change in Net Unpaid Loss Estimate in millions	in millions	
	2024	2025
Beginning Unpaid Claim Estimate	\$ 18.2	\$ 16.8
Change in Prior Year Estimates	(5.0)	1.6
New Losses Incurred	8.7	7.3
Payments during the Period	(5.2)	(5.5)
Change in ULAE Reserves	0.1	0.2
Ending Unpaid Claim Estimate	<b>\$ 16.8</b>	<b>\$ 20.4</b>

## Management’s Discussion and Analysis (continued)

### Condensed Comparative Statement of Revenues, Expenses, and Changes in Net Position

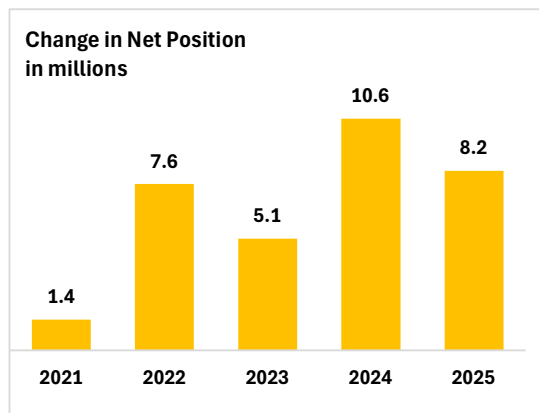
The table below provides a three-year comparative summary of components of the Pool’s Statement of Revenues, Expenses, and Changes in Net Position.

Three-Year Condensed Comparative Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Years ended August 31 <sup>st</sup> – Dollars in Millions					
	2025	Increase (Decrease) Amount	2024	Increase (Decrease) Amount	2023
<b>Operating Revenues</b>	\$ 31.0	\$ 2.8	\$ 28.2	\$ 2.4	\$ 25.8
<b>Operating Expenses:</b>					
Claims Expense	\$ 9.1	\$ 5.0	\$ 4.1	\$ (4.3)	\$ 8.4
Excess/Reinsurance	12.5	0.4	12.1	2.9	9.2
General & Administrative	4.2	-	4.2	0.5	3.7
<b>Total Operating Expenses</b>	<b>\$ 25.8</b>	<b>\$ 5.4</b>	<b>\$ 20.4</b>	<b>\$ (0.9)</b>	<b>\$ 21.3</b>
<b>Operating Income (Loss)</b>	<b>\$ 5.2</b>	<b>\$ (2.6)</b>	<b>\$ 7.8</b>	<b>\$ 3.3</b>	<b>\$ 4.5</b>
<b>Non-Operating Income (Loss):</b>					
Interest Income (Expense)	\$ 2.9	\$ 1.0	\$ 1.9	\$ 0.9	\$ 1.0
Change in Equity In GEM	\$ (0.1)	\$ (0.8)	\$ 0.7	\$ 1.2	(0.5)
Other Non-Operating Income (Loss)	0.2	-	0.2	0.1	0.1
<b>Total Non-Operating Income</b>	<b>\$ 3.0</b>	<b>\$ 0.2</b>	<b>\$ 2.8</b>	<b>\$ 2.2</b>	<b>\$ 0.6</b>
<b>Change in Net Position</b>	<b>\$ 8.2</b>	<b>\$ (2.4)</b>	<b>\$ 10.6</b>	<b>\$ 5.5</b>	<b>\$ 5.1</b>
Net Position beginning of year	43.2	10.6	32.6	5.1	27.5
<b>Net Position end of year</b>	<b>\$ 51.4</b>	<b>\$ 8.2</b>	<b>\$ 43.2</b>	<b>\$ 10.6</b>	<b>\$ 32.6</b>

- (1) Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), and GASB Statement No. 101, *Compensated Absences*, were both adopted, and Enduris applied the new standards retroactively as required under GASB Statement No. 100, *Accounting for Changes and Error Corrections*. The fiscal 2022 financial statements presented in this fiscal 2023 financial report have been restated. Total Assets increased by \$2,600, and Total Liabilities increased by \$216,600. For more information, see the Notes to the Financial Statements

### Change in Net Position

Enduris had a net position change of \$8.2 million in 2025, compared to \$10.6 million in 2024 and \$5.1 million in 2023.



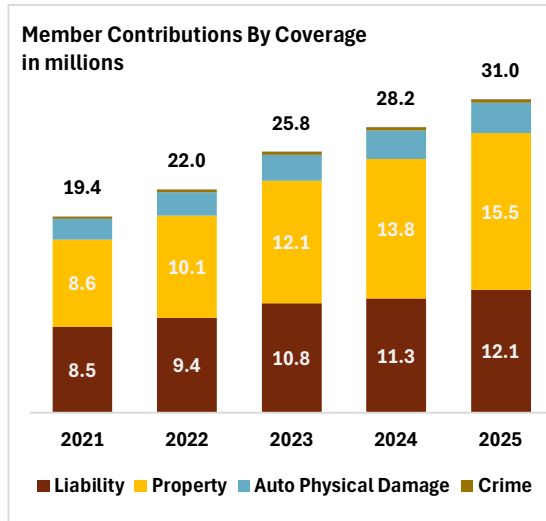
The Pool’s operating income volatility directly results from the variability of claims expenses and the lack of predictable reinsurance costs. Enduris develops an annual operating budget for Board approval in May. The budget is used to establish member rates. The main assumptions are the actuarial projection of claims expenses and our broker’s reinsurance cost projections. Any actual variances from these costs or member exposure result in variances in net operating income. Although the Board seeks to improve the Pool’s net position, the significant earnings variability over the last four years was unexpected.

### Operating Revenues

Enduris reported **Operating Revenues** from member contributions of \$31.0 million for 2025, \$28.2 million for 2024, and \$25.8 million for 2023.

The following graph summarizes Member Contributions by coverage for the last five fiscal years. Total contributions are up \$2.8 million over 2024, with Property contributions up \$1.7 million, and liability coverage contributions up \$0.8 million.

## Management’s Discussion and Analysis (continued)

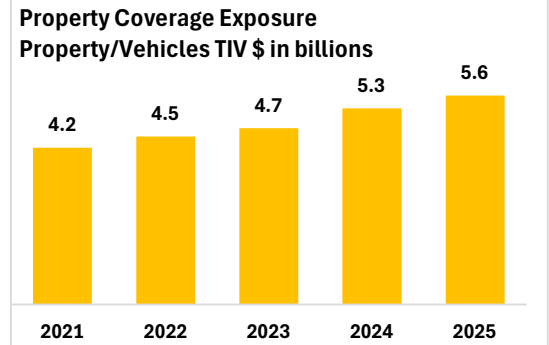


Membership is relatively stable. Changes in rated exposure, coverage rates, member experience, and risk adjustments all impact annual member contributions. Rapidly increasing member claims costs, escalating excess/reinsurance premiums, and the Board’s goal to strengthen the Pool’s financial position have led to rate increases over the last few years.

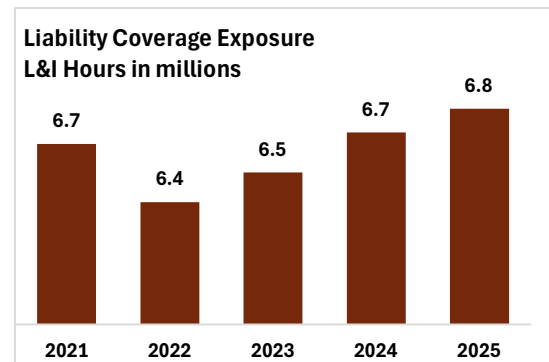
For the policy year 2025, Members’ average base rate increases were 7% to 12% for property and auto physical damage coverage and 5% to 10% for liability and other coverage. For the policy year 2024, Members’ average base rate increases were 5% to 10% for property and auto physical damage coverage and 2% to 5% for all other coverage. Base rates are adjusted on an individual member basis to factor in specific risks and claim experience and applied to member exposures to calculate each District’s contributions.

**Property exposures** are derived from members’ total insured value (TIV). Auto physical damage coverage exposure is based on either the value of heavy vehicles or the number of vehicles. The Pool’s property reinsurance carrier requires an inflationary adjustment to yearly property values based on the Marshall & Swift index under the APIP program. For the policy year 2025, the mandatory inflationary index for structures, contents, mobile equipment, and replacement cost vehicles was 5%. For the policy year 2024, the inflationary index was 7.5% for structures and 5% for contents, mobile equipment, and replacement cost vehicles.

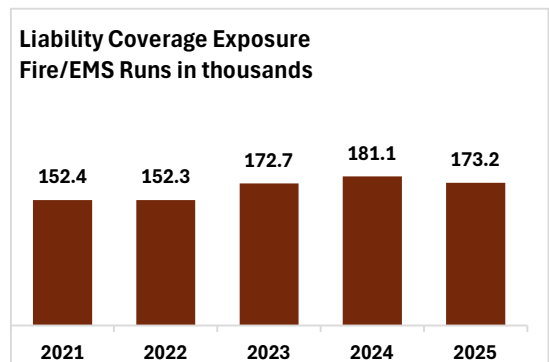
Insured property values, including heavy vehicles, reached \$5.6 billion in 2025, a 6.6% increase from 2024 and another 11.2% since 2023. In addition to the inflation index, many members are building or improving facilities, and more appraisals are required under the APIP program.



Liability exposures for all members, except fire districts, are determined by the Department of Labor and Industries based on reported worker and volunteer hours. L&I hour exposure units were 6.8 million in 2025, 6.7 million in 2024, and 6.5 million in 2023. The Pool membership is diverse, with low overall volatility in L&I hours.



Fire district exposures are measured by the number of annual emergency medical service (EMS) runs. In 2025, Fire/EMS runs dropped to 173.2 thousand from 181.1 thousand in 2024.



## Management’s Discussion and Analysis (continued)

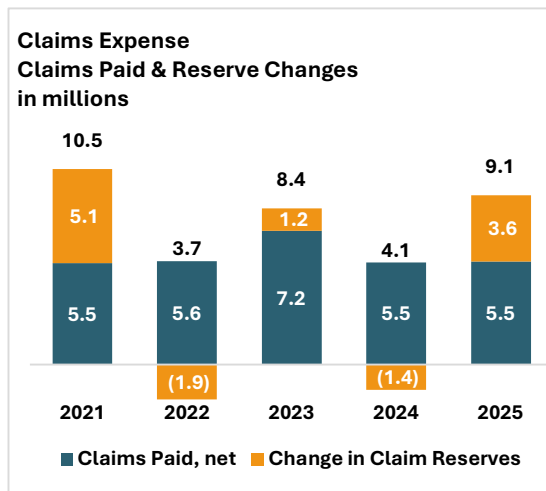
### Operating Expenses

**Enduris’s operating expenses** can be divided into three broad categories: claims, excess/reinsurance, and general and administrative expenses. Total operating expenses rose by \$5.4 million to reach \$25.8 million in 2025. In comparison, expenses for 2024 dropped by \$0.9 million from the previous year’s \$21.3 million total. Claims expense was the primary driver of the change over the last few years; however, increases in excess/reinsurance costs also had a substantial impact.

**Claim expenses** reported in the financial statements represent member claims paid, net of recoveries, and the actuarial estimate of the cost of claims incurred but not paid during the year, plus or minus any adjustments to claim reserves for claim costs related to prior years.

**Claims paid** for member losses, net of recoveries such as reinsurance and subrogation, have been relatively stable, ranging from \$5 to \$7 million each of the last five years.

The impact of **change** in the actuarial estimate of **Claim Reserves** has significantly influenced the Pool’s net operating expense volatility, as shown in orange on the following graph.



In 2021, high-risk liability claims increased reserves by \$5.0 million, bringing total claims expenses to \$10.5 million with \$5.5 million paid.

In 2022, our actuary, PWC, lowered the estimated unpaid liability due to reduced claim development, resulting in \$1.9 million less in claims expenses. With \$5.6 million paid, the total claims expense was \$3.7 million.

Enduris had \$13.8 million in losses for 2023; after \$6.6 million in reinsurance and recoveries, net claims paid were \$7.2 million. PWC’s \$1.2 million actuarial reserve adjustment brought total claims expense to \$8.4 million.

In 2024, Enduris reported total losses of \$7.8 million. After accounting for \$2.3 million in recoveries from reinsurance

and other sources, the net claims paid were \$5.5 million. The actuarial reserve for unpaid claims decreased by \$1.4 million, resulting in a total claims expense of \$4.1 million for the fiscal year.

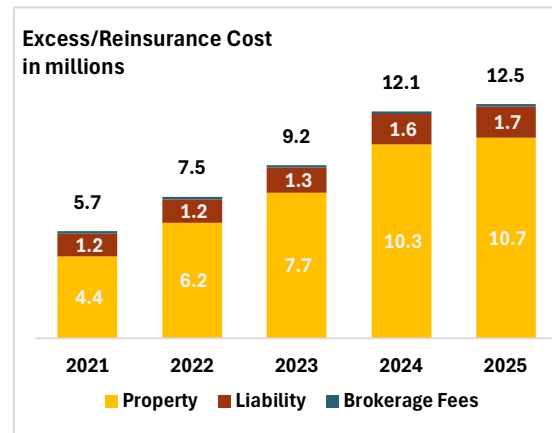
Enduris paid \$10.2 million in losses during 2025. Following \$4.7 million recovered through reinsurance and other sources, the net amount spent on claims was \$5.5 million. PWC added \$3.6 million to the reserve for unpaid claims, bringing the total claims expense for the year to \$9.1 million.

Enduris has maintained self-insured retention (SIR) of \$1.0 million per occurrence for liability claims. The property SIR was increased from \$250,000 to \$500,000 per occurrence beginning in policy year 2024. The Pool purchases excess/reinsurance above the SIR to reduce the Pool’s risk in the event of large claims. The reinsurance recoveries for member losses equaled \$14.3 million for the last five years, with an average annual recovery of \$2.8 million. The severity of recent member property losses is one of the factors negatively impacting property reinsurance premiums.

**Excess/Reinsurance premiums** rose by \$0.4 million (3%) in 2025, \$2.9 million (31%) in 2024, and \$1.7 million (23%) in 2023. Over the past five years, the Pool’s cost has increased by 120%. While increases in member exposure contribute to this trend, the primary driver is higher reinsurance rates.

Property reinsurance costs have jumped 143% since 2021, with a modest 4% increase in 2025 following substantial rises of 34% and 24% in 2024 and 2023, respectively.

Liability reinsurance premiums have gone up by 42% since 2021, including hikes of 6% in 2025, 23% in 2024, and 8% in 2023.

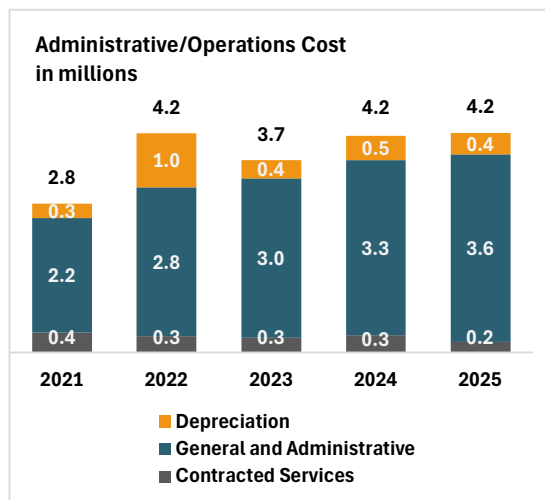


Multiple factors have affected the commercial reinsurance market in recent years, including more frequent weather-related losses, rising inflation and construction costs, and increased liability and cyber losses. These trends have led to higher prices and less available coverage. While property

## Management’s Discussion and Analysis (continued)

reinsurance rates are anticipated to remain stable in the near term, liability rates are projected to increase. Although Enduris’s long-term relationships with reinsurers provide the Pool with some rate and coverage stability compared to the market, we anticipate ongoing challenges with reinsurance renewals due to market trends and our member claims history.

**General and Administrative expenses** equaled \$4.2 million in 2025 and 2024, and \$3.7 million in 2023. Administrative costs are vital for the Pool’s continuous operations, covering claims administration, member relations, finance, and overall operations.



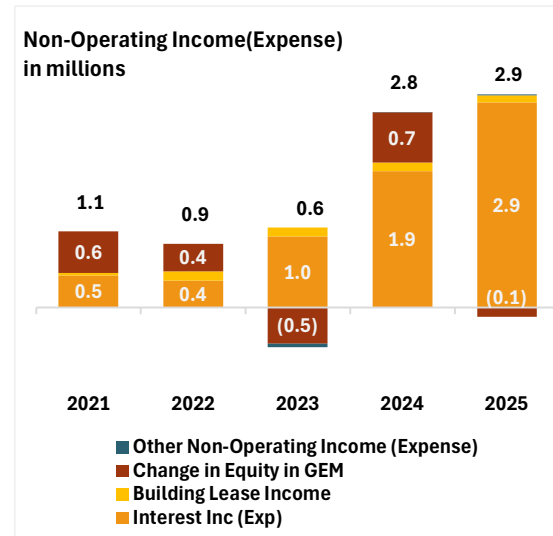
General and Administrative expenses of \$4.2 million in 2025 are flat to 2024 after increasing \$0.5 million from 2023 to 2024. The following are the most material changes in 2025:

- The Pool maintains a workforce of 17.5 full-time equivalents. Staff wages, benefits, and taxes account for 87% of G&A. Costs rose by \$170 thousand (6%) in 2025 due to wage increases and higher benefit costs.
- Member engagement costs rose by \$42 thousand (30%) as the Pool emphasized risk reduction partnerships with members. The member relations team held 103 on-site visits, attended 21 conferences, and ran 31 webinars for over 850 participants.
- Costs under the pre-defense legal and investigation program decreased by \$137 thousand.
- Technology and Claims System costs declined by \$39 thousand.

### Non-Operating Income (Expense)

In 2025, total **Non-Operating Income** of \$2.9 million increased by \$0.1 million, from \$2.8 million in 2024 and \$0.6 million in 2023.

**Interest income** and the **Change in Equity in GEM** are the most significant components.



The combination of higher average cash balances invested in LGIP and SPIF, along with rising interest rates, resulted in interest income of \$2.9 million in 2025—a \$1.0 million increase from 2024. In the prior year, total interest earnings were \$1.9 million, reflecting a \$0.9 million rise from 2023. The average yield achieved was 4.3% in 2025 and 3.5% in 2024.

The Enduris' proportionate share of earnings in GEM was a \$0.1 million loss in 2025. In 2024, the Pool's proportionate share of GEM's gain was \$0.7 million.

Enduris entered into a 20-year lease agreement for space in its office building, commencing in June 2020. Under GASB 87, which was implemented in 2022, this lease has an interest component and a principal component in non-operating income. The total revenue in fiscal 2025 was \$175 thousand, in 2024 \$193 thousand, and in 2023 \$195 thousand, with the decline in 2025 resulting from a contract amendment requiring the Pool to remeasure the lease receivable.

## Financial Contact

Questions concerning the information provided in this management discussion and analysis, Enduris' financial statements, or requests for additional information should be addressed to:

Enduris Washington  
 Kimberly Millikan, Director of Finance  
 1610 S. Technology Blvd., Suite 100  
 Spokane, WA 99224  
 509-838-0910 or 800-462-8418

**Enduris Washington**  
**Statement of Net Position**  
**As of August 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 76,071,742	\$ 64,395,300
Receivables:		
Member Contributions	6,106	15,055
Accrued Recoverables	1,759,522	979,626
Other Receivables	2,597	50
Prepaid Excess/Reinsurance	8,856,821	9,421,068
Lease Receivable	45,566	81,495
Other Current Assets	23,572	50,736
<b>Total Current Assets</b>	<b>\$ 86,765,926</b>	<b>\$ 74,943,330</b>
<b>Non-Current Assets:</b>		
Non-depreciable Capital Assets	\$ 1,408,807	\$ 1,408,807
Depreciable Capital Assets, net	2,794,952	3,185,549
Pension Asset	591,522	513,672
Lease Receivable	1,382,849	2,287,955
Investment in GEM	3,712,642	3,845,421
<b>Total Non-Current Assets</b>	<b>\$ 9,890,772</b>	<b>\$ 11,241,404</b>
<b>Total Assets</b>	<b>\$ 96,656,698</b>	<b>\$ 86,184,734</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Outflow related to Pensions	<b>\$ 719,210</b>	<b>\$ 651,831</b>

*(Continued on the next page)*

**Enduris Washington**  
**Statement of Net Position**  
**As of August 31, 2025 and 2024**  
(Continued from the prior page)

	2025	2024
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 118,896	\$ 424,346
Accrued Liabilities	302,054	83,543
Compensated Absences	251,679	148,046
Subscription Liability	201,507	-
Unearned Member Contributions	23,032,063	22,990,968
Claim Reserves:		
Incurred But Not Reported (IBNR)	\$ 2,960,507	\$ 2,681,928
Open Claims	2,818,014	2,036,875
Unallocated Loss Adjustment Expenses (ULAE)	442,975	363,000
Claim Reserves	\$ 6,221,496	\$ 5,081,803
Other Current Liabilities	-	15,136
<b>Total Current Liabilities</b>	<b>\$ 30,127,695</b>	<b>\$ 28,743,842</b>
<b>Non-Current Liabilities:</b>		
Compensated Absences	\$ 212,647	\$ 330,432
Subscription Liability	-	193,014
Claim Reserves:		
Incurred But Not Reported (IBNR)	\$ 6,731,080	\$ 6,183,951
Open Claims	6,406,255	4,697,033
Unallocated Loss Adjustment Expenses (ULAE)	1,007,025	837,000
Claim Reserves	\$ 14,144,360	\$ 11,717,984
Pension Liability	140,703	211,284
<b>Total Non-Current Liabilities</b>	<b>\$ 14,497,710</b>	<b>\$ 12,452,714</b>
<b>Total Liabilities</b>	<b>\$ 44,625,405</b>	<b>\$ 41,196,556</b>
<b>Deferred Inflows of Resources:</b>		
Deferred Inflow related to Pensions	\$ 169,096	\$ 214,157
Deferred Inflow related to Leases	1,200,885	2,183,566
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,369,981</b>	<b>\$ 2,397,723</b>
<b>Net Position:</b>		
Investment in Capital Assets	\$ 4,203,759	\$ 4,594,356
Restricted Net Position related to Pensions	1,148,460	1,256,066
Unrestricted Net Position	46,028,303	37,391,864
<b>Total Net Position</b>	<b>\$ 51,380,522</b>	<b>\$ 43,242,286</b>

The accompanying notes are an integral part of this statement

**Enduris Washington**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Years Ended August 31, 2025 and 2024**

	2025	2024
<b>Operating Revenues:</b>		
<b>Member Contributions:</b>		
Liability	\$ 12,146,388	\$ 11,282,534
Property	15,466,510	13,767,044
Auto Physical Damage	2,999,383	2,841,076
Crime	327,987	299,202
Named Position	22,699	15,413
<b>Member Contributions</b>	<b>\$ 30,962,967</b>	<b>\$ 28,205,269</b>
<b>Operating Expenses:</b>		
<b>Incurred Loss and Allocated Loss Adjustment Expenses:</b>		
Claims Paid, net of recoveries	\$ 5,533,978	\$ 5,483,683
Change in Liabilities for Unpaid Claims	3,316,069	(1,515,801)
<b>Unallocated Loss Adjustment Expenses:</b>		
Change in ULAE Reserve	250,000	150,000
<b>Claims Expense, net</b>	<b>\$ 9,100,047</b>	<b>\$ 4,117,882</b>
<b>Excess/Reinsurance Costs</b>	<b>12,452,797</b>	<b>12,075,401</b>
<b>Contracted Services</b>	<b>198,673</b>	<b>326,573</b>
<b>General and Administrative</b>	<b>3,576,126</b>	<b>3,337,730</b>
<b>Depreciation</b>	<b>408,164</b>	<b>465,933</b>
<b>Total Operating Expenses</b>	<b>\$ 25,735,807</b>	<b>\$ 20,323,519</b>
<b>Operating Income</b>	<b>\$ 5,227,160</b>	<b>\$ 7,881,750</b>
<b>Non-Operating Revenues (Expenses):</b>		
Interest and Investment Income	\$ 2,863,569	\$ 1,887,190
Interest Income on Lease Activity	71,657	68,714
Interest Expense	(4,441)	(8,062)
Building Lease Income	103,585	124,698
Change in Equity in GEM	(132,779)	717,090
Gain/Loss on Disposals	-	4,000
Other Non-Operating Income (Expense)	9,485	4,250
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 2,911,076</b>	<b>\$ 2,797,880</b>
<b>Change in Net Position</b>	<b>\$ 8,138,236</b>	<b>\$ 10,679,630</b>
<b>Net Position, beginning of year September 1</b>	<b>\$ 43,242,286</b>	<b>\$ 32,562,656</b>
<b>Net Position, end of year</b>	<b>\$ 51,380,522</b>	<b>\$ 43,242,286</b>

The accompanying notes are an integral part of this statement

**Enduris Washington**  
**Statement of Cash Flows**  
**For the Fiscal Years Ended August 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows From Operating Activities:</b>		
Cash received from members and others	\$ 31,013,011	\$ 29,774,767
Cash paid for claims, net of recoveries	(6,316,421)	(4,307,297)
Cash paid for excess/reinsurance costs	(11,888,550)	(11,139,564)
Cash paid for contract services	(198,673)	(326,573)
Cash paid for general and administrative expenses	(3,926,060)	(3,415,960)
<b>Net Cash Flows Provided (Used)</b> <b>by Operating Activities</b>	<b>\$ 8,683,307</b>	<b>\$ 10,585,373</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Disposal (Acquisition) of Capital assets	\$ (17,567)	\$ (51,095)
Principal receipts under leases of Capital Assets	61,939	69,997
Interest receipts under leases of Capital Assets	71,657	68,714
Principal payments on Subscription Liability	8,493	(387,074)
Interest payments on Subscription Liability	(4,441)	(8,062)
Other	9,485	4,250
<b>Net Cash Flows Provided (Used)</b> <b>by Capital &amp; Related Activities</b>	<b>\$ 129,566</b>	<b>\$ (303,270)</b>
<b>Cash Flows From Investing Activities:</b>		
Investment income received	\$ 2,863,569	\$ 1,887,190
<b>Net Cash Flows Provided (Used)</b> <b>by Investing Activities</b>	<b>\$ 2,863,569</b>	<b>\$ 1,887,190</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 11,676,442</b>	<b>\$ 12,169,293</b>
<b>Cash and Equivalents at beginning of year</b>	<b>64,395,300</b>	<b>52,226,007</b>
<b>Cash and Equivalents at end of year</b>	<b>\$ 76,071,742</b>	<b>\$ 64,395,300</b>

*(Continued on the next page)*

The accompanying notes are an integral part of this statement

**Enduris Washington**  
**Statement of Cash Flows**  
**For the Fiscal Years Ended August 31, 2025 and 2024**

(Continued from the prior page)

	<b>2025</b>	<b>2024</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
<b>Cash Flows from Operating Activities:</b>		
<b>Operating Income (Loss)</b>	<b>\$ 5,227,160</b>	<b>\$ 7,881,750</b>
<b>Adjustments to Reconcile Net Income to Cash Provided by Operations:</b>		
Depreciation and Amortization	408,164	465,933
<b>(Increase) Decrease in:</b>		
Receivables, net	(773,494)	1,166,887
Prepaid Excess/Reinsurance	564,247	935,837
Other Current Assets	27,164	(40,727)
Pension Asset	(77,850)	130,928
Deferred outflows of resources - pension	(67,379)	(160,343)
<b>Increase (Decrease) in:</b>		
Accounts Payable	(305,450)	128,523
Accrued Liabilities	218,511	2,256
Compensated Absences	(14,152)	70,830
Unearned Member Contributions	41,095	1,578,997
Claim Reserves	3,566,069	(1,365,801)
Net pension liability	(70,581)	(67,871)
Other Current Liabilities	(15,136)	15,136
Deferred inflows of resources - pension	(45,061)	(156,962)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 8,683,307</b>	<b>\$ 10,585,373</b>
<b>Supplementary Information</b>		
<b>Noncash Financing and Investing Activities:</b>		
Change in Equity in GEM	\$ (132,779)	\$ 717,090

The accompanying notes are an integral part of this statement

## Enduris Washington

# Notes to the Financial Statements

### Note 1 – Summary of Significant Accounting Policies

The financial statements of Enduris (or “the Pool”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to proprietary funds of governmental units. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing principles of governmental accounting and financial reporting. The significant accounting policies are described in this note.

#### **A. Reporting Entity and Nature of Operations**

Enduris is an unincorporated, not-for-profit entity operating under the laws of the state of Washington, applicable to local government risk-sharing pools. The Pool was initially organized in 1987 and reorganized in 1990 under WA RCW 48.62.031, RCW 36.16.138, and RCW 39.34. Enduris was formed under an interlocal government agreement (Master Agreement), approved by the Enduris Board of Directors and the governing bodies of the Enduris members. The Pool’s members are various governmental entities throughout the state of Washington.

As a public entity risk pool, Enduris provides risk financing to its members for general liability, property damage, automobile liability and property damage, cyber, pollution, fidelity, and other such liability and property coverage common to public entities. The Pool’s general objective is to formulate, develop, and administer an insurance program at the lowest possible cost for the member governmental entities. Enduris transfers its risk by buying excess/reinsurance over self-insured retentions.

Enduris’s membership is comprised of 497 local governments in Washington, which include, but are not limited to: aging and mental health districts, cemetery districts, clean air districts, conservation districts, diking and drainage districts, fire districts, irrigation and reclamation districts, library districts, mosquito control districts, park and recreation districts, port districts, public development districts, public facility districts, public health districts, water and sewer districts, weed districts, and other miscellaneous special purpose districts.

Membership in the Pool requires a commitment of at least one full policy year. Membership is automatically renewed unless the member provides a notification of withdrawal at least 60 days before the September 1<sup>st</sup> renewal date. Member contributions are adjusted annually to incorporate actuarial projections and operational needs and then approved by the Board of Directors. Since Enduris is a cooperative program, there is joint liability among the participating members. In the event of withdrawal or termination, a member is still liable pro rata for any contributions and assessments to the Pool for unresolved, unreported, and in-process claims for the period they were a signatory to the Master Agreement. If the Pool’s net assets were depleted, members would be responsible for Enduris’s outstanding liabilities.

A seven-member Board of Directors governs Enduris. The Pool’s members elect the Board, and the positions are filled on a rotating basis. The Pool’s Executive Director is a non-voting member of the Board. The Board meets at least four times a year and is responsible for conducting the Pool’s business affairs.

The Executive Director is responsible for supervising staff in conducting the Board’s directives. The Operations team administers daily activities, while the Finance team delivers reporting and financial analysis. The Claims department manages member claims, and Member Relations provides training, consulting, and risk management resources to members.

#### **B. Basis of Presentation**

Enduris must report using the enterprise fund model as a risk pool. There are three required financial statements for proprietary funds:

- Statement of Net Position,
- Statement of Revenues, Expenses, and Changes in Fund Net Position
- Statement of Cash Flows

Statements, schedules, statistical data, and other information the GASB deems necessary are reported as Required Supplementary Information (RSI). Except for the Management’s Discussion and Analysis (MD&A), the required RSI is

presented immediately following the notes in the financial statements. Enduris' RSI includes pension trend data, as well as revenue and claims development trend data.

**C. Measurement Focus and Basis of Accounting**

The Pool's financial statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of cash flow.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods connected to a proprietary fund's principal ongoing operations.

Operating revenues relate to the Pool's primary operations and include all member program contributions, as well as related fees and assessments, which are integral to financing the insurance and risk management programs. Member contributions are recognized as operating revenue in the relevant policy period. Enduris' policy period is from September 1<sup>st</sup> to August 31<sup>st</sup>. Policy year renewal and endorsement contributions for the expiring policy period are included in operating revenue, and unpaid amounts are reflected as receivables.

Operating expenses for the Pool include claims expenses, excess/reinsurance costs, contracted services, general and administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounting records of Enduris are maintained following methods prescribed by the State Auditor's Office under the authority of **RCW chapter 43.09**.

**D. Exemption from Federal and State Taxes**

Under Revenue Ruling 90-74, Municipal Risk Pools' income is excluded from gross income under IRC Section 115(1). In addition, RCW 48.62 exempts Enduris from state insurance premium taxes and business and occupation taxes imposed under RCW 82.04.

**E. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses for the reporting period, and certain disclosures. The actual results could differ from the estimated amounts.

**F. Assets, Liabilities, and Net Position**

**1. Cash and Cash Equivalents**

Cash and cash equivalents include demand deposits and short-term investments with an original maturity of three months or less. State statutes authorize the government to invest in accordance with RCW 48.62. On August 31, 2025, and 2024, Enduris invested cash in the Spokane County Investment Pool (SPIF) managed by the Spokane County Treasurer and in the Local Government Investment Pool (LGIP) managed by the Washington State Treasurer. Investments in SPIF and LGIP can be withdrawn upon demand and are accordingly classified as cash equivalents. There are no external restrictions on cash and cash equivalents.

**2. Receivables**

Receivables include earned member contributions and accrued recoveries collectible for claim expenditures related to member deductibles, excess/reinsurance carrier reimbursement, and subrogation. The amounts are deemed collectible; no allowance for uncollectible accounts has been established.

Enduris recognizes receivables for member contributions/assessments only when they have been formally assessed, or a legally enforceable claim exists.

### 3. Prepaid Excess/Reinsurance

Enduris purchases excess/reinsurance insurance to reduce its exposure to significant losses on all insured events. Premiums are recorded as an expense over the period for which coverage is provided. Prepaid excess/reinsurance premiums are calculated on a pro rata basis for the unexpired policy term.

Excess/reinsurance coverage permits recovery of a portion of member losses from excess/reinsurance carriers, although it does not discharge Enduris' primary responsibility for the reinsured risk. Enduris does not report reinsured risks as claim liabilities unless it is probable that the excess/reinsurance carrier cannot perform its contractual obligations. Amounts recoverable from reinsurers are estimated based on the relevant reinsurance contracts. As these estimates change, the adjustment is recorded in the current period.

### 4. Leases

Enduris is the lessor under a non-cancelable lease. The Pool recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Pool initially measures the lease receivable at the present value of the expected lease payments. Subsequently, the lease receivable will be reduced by the principal portion of the payments received. The deferred inflow of resources is initially measured as the amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources will be recognized as revenue on a straight-line basis over the lease term.

Key estimates and judgments related to the lease include how the Pool determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments.

Enduris uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period. Lease receipts included in the lease liability measurement are composed of fixed payments from the lessee.

The Pool monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if specific changes occur that are expected to significantly affect the lease receivable amount.

### 5. Investment in GEM

Enduris is a founding member of Government Entity Mutual, Inc. (GEM), a captive insurance company formed on January 1, 2003. A captive is an insurance company owned and operated by its insureds. Enduris made an initial investment of \$975,708 in 2003. No additional investments have been made. Enduris accounts for GEM using the equity method of accounting. Changes in equity are the Pool's proportionate share of GEM's annual financial results.

### 6. Capital Assets

Capital assets include depreciable assets (buildings and improvements, equipment, land improvements, and vehicles) and non-depreciable assets (land and construction in progress). Enduris defines capital assets as assets with an initial, individual cost of over \$5,000 and an estimated useful life of more than one year. Such assets are recorded at the cost of purchase or construction.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the assets. The costs for routine maintenance and repairs are not capitalized. Significant outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is calculated using the straight-line method over the following estimated useful lives:

<b>Capital Assets</b>	<b>Years</b>
Buildings and improvements	15-60
Furniture and equipment	5-14
Land improvements	20
Vehicles	5-10
<u>Right-to-use subscription asset</u>	<u>Subscription term</u>

For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related net gain or loss is credited or charged to income.

As required under GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, Enduris immediately recognizes decreases in the productive capacity of capital assets that are expected to remain in service. When permanently impaired, the capital asset impairment is calculated according to methods prescribed in the statement. All insurance recoveries are reported net of the related loss as soon as the recovery is either realized or realizable.

A right-to-use subscription with total payments for fixed costs exceeding \$5,000 over the subscription term will be capitalized as an intangible asset. Subscriptions that do not meet these criteria are recognized as current-period expenses. Right-to-use subscription assets may include certain implementation costs, prepayments made before the existence of the subscription assets, and the net present value of future subscription payments required under the contract. Subsequent implementations or contract amendments that enhance the subscription asset's service capacity (in terms of functionality or efficiency) may be added during the contract term. The subscription asset is amortized on a straight-line basis during the subscription term and is reported net of accumulated amortization. The subscription assets and accumulated amortization are removed at the end of the subscription term. However, if Enduris and the SBITA vendor execute an amendment to extend the subscription term, new subscription assets and liabilities are recorded.

#### 7. Compensated Absences

Enduris recognizes a liability for compensated absences if it is more likely than not to be used by the employee or settled as a cash payment in future reporting periods. More likely than not is defined as a likelihood greater than 50 percent. The liability is measured as the unused leave expected to be used or settled times the employee's pay rate as of the date of the financial statements, plus any salary-related payments directly or incrementally associated with the salary, such as the employer share of payroll taxes (Medicare, etc.) and any retirement benefits (pension, 401a, etc.) in effect at the time that will accrue with the payment.

The portion of the liability related to compensated absences that have been used but not yet paid in cash or settled as of the fiscal year end is reported as part of salaries payable.

#### 8. Subscription Liability

A subscription is defined as a contract that conveys control of the right to use another party's information technology software for a period of time in an exchange or exchange-like transaction. Enduris records a right-to-use subscription asset and corresponding subscription liability when total payments for fixed costs over the subscription term exceed \$10,000. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. It is recorded at the commencement of the subscription term when the subscription asset is placed into service. The subscription term excludes periods during which either Enduris or the SBITA vendor may terminate the contract, or during which both parties must agree to extend it. Renewal periods are subject to remeasurement of the SBITA Liability.

#### 9. Unearned Member Contributions

This liability account includes payments for future periods that have not yet been recognized as revenue because the revenue recognition criteria have not been met. Revenue is recognized throughout insurance coverage.

Members' annual contributions for the upcoming policy year are typically invoiced and collectible on or shortly before the Pool's September 1st policy renewal date. Cash collected before August 31st for the forthcoming policy year is reported as a liability in unearned member contributions.

#### 10. Claim Reserves (IBNR, Unpaid Claims, and ULAE)

As GASB Statement No. 10 requires, the Enduris fiscal year-end claim reserve is calculated using actuarial methods by our actuary, PricewaterhouseCoopers LLP (PwC). Claim reserves are computed using various actuarial and statistical techniques to produce estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit, as reliance is placed on actual historical data that reflects past inflation and other factors that are appropriate modifiers of historical experience. The time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on complex factors such as inflation, changes in legal liability doctrine, and

damage awards, the process used to compute claim liabilities does not necessarily yield an exact amount, particularly for coverages like general liability.

Enduris' claim reserves reflect the estimated ultimate cost of claims, including future claim expenses for claims that have been reported but not settled, as well as claims that have been incurred but not reported. Estimated amounts of claim recoveries, such as salvage, subrogation, deductible, and excess/reinsurance on unpaid claims, are deducted from the estimated ultimate cost. Major claim reserve components include:

- Incurred But Not Reported (IBNR) includes the actuary's assessment of the development of open claim costs and claims that have occurred but have not yet been reported to the Pool.
- Open Unpaid Claims represent the Pool's estimate of the unpaid cost of claims that have occurred but have not yet been settled. This includes Allocated Loss Adjustment Expenses (ALAE) and direct expenses (such as legal costs) to resolve specific open claims.
- Unallocated Loss Adjustment Expenses (ULAE) represent the estimated cost to settle claims in process and claims incurred but not reported.

Claims paid and changes in estimated unpaid claims liabilities and costs, i.e., changes in claim reserves, are charged or credited to expenses in the periods in which they are incurred.

## 11. Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state-sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as the Washington State Department of Retirement Systems reports them. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the terms of the benefits. Investments are reported at fair value.

The Pool includes the net pension asset, along with the related deferred outflows and deferred inflows, to calculate the restricted net position associated with it.

Deferred inflows of resources for pensions are recorded when actual earnings on pension plan investments exceed projected earnings. Deferred outflows of resources for pensions are recorded when projected earnings on pension plan investments exceed actual earnings. These are amortized to pension expenses using a systematic and rational method over a closed five-year period.

Deferred outflows and deferred inflows of resources for pensions also include the difference between expected and actual experience regarding economic or demographic factors; changes in assumptions about future economic, demographic, or other input factors; or changes in the Pool's proportionate share of net pension liability or asset. These deferred outflows and inflows are amortized over the average expected remaining service lives of all employees covered by each pension plan.

Pool contributions to pension plans made after the measurement date are deferred outflows of resources and reduce the net pension liability or asset in the subsequent year.

## 12. Net Position

For a Pool reporting as a proprietary fund, the difference between assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, is referred to as the net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted. To calculate the restricted net position related to the net pension asset, Enduris includes the net pension asset, along with the related deferred outflows and deferred inflows.

## Note 2 - Accounting and Reporting Changes

### A. New Accounting Standards

Certain Governmental Accounting Standards Board (GASB) pronouncements had implementation effective dates within the fiscal reporting periods presented in this report. Each pronouncement was assessed to determine the impact on the Pool's financial reporting.

#### 1. GASB Pronouncements Effective for Reporting Year 2024

There were two GASB standards effective for the fiscal year 2024. Enduris elected to adopt these standards early in the 2023 fiscal year.

- GASB Statement No. 100, Accounting Changes and Error Corrections

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. It describes the transactions or other events that constitute those changes. The requirements of this statement were effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Enduris elected to early adoption of this statement in connection with the Fiscal 2023 reporting year. This GASB impacted the Pool's accounting and financial reporting for implementing GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 101, *Accounting Changes and Error Corrections*. As new pronouncements, both changes in accounting principles were applied retroactively by restating the prior periods (fiscal 2022) presented in the basic financial statements.

- GASB Statement No. 101, Compensated Absences

This Statement aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit post-employment benefits should not be included in liability for compensated absences. The requirements of this Statement were effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Enduris elected to early adoption of this statement in connection with the Fiscal 2023 reporting year. The financial reporting impact from the implementation of Statement No. 101 resulted in the restatement of the Pool's Statement of Net Position for the fiscal year ended August 31, 2022, of \$208.4 thousand. The balance of Compensated Absences increased by \$51.5 thousand (current portion) and \$156.9 thousand (non-current portion). The impact on the Statement of Revenues, Expenses, and Changes in Net Position for fiscal year 2022 was a decrease of \$208.4 thousand.

## 2. GASB Pronouncements Effective for Reporting Year 2025

One new GASB standard is effective for the 2025 fiscal year.

- GASB Statement No. 102, Certain Risk Disclosures.  
State and local governments face various risks that could negatively impact their service levels or their ability to meet obligations as they become due. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this Statement were effective for fiscal years beginning after June 15, 2024, and for all reporting periods thereafter.

For the 2025 fiscal year, Enduris concluded that management is not aware of any concentrations or constraints that would meet the criteria for the required disclosure.

## 3. GASB Pronouncements Effective for Reporting Year 2026

Two new standards will be effective for the Pool's 2026 fiscal year. The Pool is currently assessing the applicability and impact of these new pronouncements.

- GASB Statement No. 103, Financial Report Model Improvements.  
This statement improves key components of the financial reporting model to enhance the effectiveness in providing information that is essential for decision making and assessing a government's accountability, including improvements to the management's discussion and analysis (MD&A), required supplementary information (RSI), proprietary fund reports, unusual/infrequent items, major component unit information, and budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- GASB Statement No. 104, Disclosure and Classification of Certain Capital Assets.  
State and local governments must provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class. This Statement aims to provide users of government financial statements with essential details on certain types of capital assets and requires them to be disclosed separately in the capital assets note disclosures required by Statement 34. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- GASB Implementation Guide 2025-1, Implementation Guide Update - 2025.  
The objective of the Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. Q&A 4.16 relates to Statement 103 (for early adopters), and it became effective upon issuance (June 2025). The remaining provisions are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

### **B. Prior Period Adjustments**

See the Pool's 2023 Financial Report for disclosure of the impact of the restatements on the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position in connection with the adoption of GASB Statement No. 96 and GASB Statement No. 101.

### **C. Reclassification of Prior Year Presentation**

Certain amounts from the prior year have been reclassified for consistency with the current year's presentation. These reclassifications did not affect the reported results of operations.

### Note 3 – Risk Financing Limits

The Enduris program provides various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage (General Liability, Automobile Liability, Public Officials' Errors and Omissions liability; Terrorism liability and Employment Practices liability); Property coverage ( Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense); Automobile Physical Damage coverage; Cyber coverage; Pollution coverage, Crime Blanket coverage; Named Position coverage; Alliant Deadly Weapon Response Program coverage (ADWRP); and Identity Fraud reimbursement coverage. Blanket Accident Insurance is provided for specific participating districts. Pollution, Cyber, Blanket Accident, ADWRP, and Identity Fraud Protection coverage are provided on a claims-made/reported coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

Members may be responsible for a coverage deductible or co-pay on each covered loss. Each policy year, members receive a Binder and a Memorandum of Coverage (MOC) outlining their specific coverage, limits, and deductibles/co-pays. The Pool may allow members to elect to participate in the programs with limits, coverage, deductibles, and co-pays tailored to their specific needs. Enduris is responsible for paying all covered losses exceeding the member's deductible or copay, up to the Pool's 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. The following table reflects the risk financing limits on coverage policies issued and retained by Enduris for the policy years ended August 31, 2025, and 2024:

Risk Financing Limits Fiscal Year ended August 31, 2025, and 2024				
Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Liability:</b>				
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 <sup>(2)</sup>	Per Occurrence Pool Aggregate	\$500,000 \$1 million	None	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Co-pay <sup>(3)</sup>
<b>Property <sup>(4)</sup>:</b>				
Buildings and Contents	Per Occurrence	\$500,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$500,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery	Per Occurrence	\$500,000	\$100 million	\$1,000 - \$250,000
Business Interruption (BI)/ Extra Expense (EE) <sup>(5)</sup>	Per Occurrence	\$500,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
<b>Property Sub-limits <sup>(6)</sup>:</b>				
Flood	Per Occurrence	\$500,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to a \$500,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000

Risk Financing Limits  
Fiscal Year ended August 31, 2025, and 2024

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
Property Sub-limits (continued) <sup>(6)</sup> :				
Terrorism Primary	Per Occurrence	\$250,000	\$100 million per occurrence	\$1,000 - \$250,000
	Pool Aggregate		\$200 million aggregate	
Terrorism Excess	Per Occurrence	\$500,000	\$600 million/ Pool aggregate	\$0
	APIP Per Occurrence		\$1.1 billion/ per occurrence	
	APIP Aggregate		APIP program \$1.4 billion/ APIP program aggregate	
<b>Automobile Physical Damage</b> <sup>(7)</sup>	Per Occurrence	\$500,000 with exceptions	\$1 billion	\$250 - \$1,000
<b>Cyber</b> <sup>(8)</sup>	Each Claim	\$50,000 to	\$2 million	20% Copay
	APIP Aggregate	\$100,000 with a waiting period	\$55 million PY2025/ \$45 million PY2024	
<b>Pollution</b> <sup>(9)</sup>	Each Claim	\$250,000	\$2 million	\$1,000 - \$250,000
	APIP Aggregate	with exceptions	\$25 million	
<b>Crime Blanket</b> <sup>(10)</sup>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Named Position</b> <sup>(11)</sup>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Blanket Accident Insurance</b> <sup>(12)</sup>	Each Claim	\$0	Various, based on the covered event. Per eligible person	\$0
<b>Alliant Deadly Weapon Response Program</b> <sup>(13)</sup>	Each Claim	\$10,000	\$500,000 each event	\$0
	APIP Aggregate		\$2.5 million annual aggregate	
<b>Identity Fraud Expense Reimbursement</b> <sup>(14)</sup>	Member Aggregate	\$0	\$25,000	\$0
<p>(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.</p> <p>(2) Terrorism liability is fully funded by the Pool, i.e., no excess/reinsurance is procured.</p> <p>(3) Members are responsible for a 20% co-payment for Employment Practices Liability coverage claim costs. However, the co-pay may be waived if they meet established guidelines.</p> <p>(4) Property coverage for each member is based on a detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement as per the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP), reinsurance carriers cover insured losses exceeding \$500,000 up to a limit of \$1 billion, except for certain types of sub-limited property losses such as floods, earthquakes, and terrorism.</p> <p>(5) Business Interruption (BI)/Extra Expense (EE) coverage is based on scheduled revenue-generating locations/operations. A limited number of members are scheduled; 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.</p> <p>(6) This Property Program sub-limit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated among all pool members and, in a few cases, among all APIP members. Deductibles often vary by coverage sub-limit.</p> <p>(7) Auto Physical Damage coverage includes comprehensive, collision, and additional coverage (i.e., rental reimbursement, towing, and personal property). Each member's coverage is based on a detailed vehicle schedule. The Pool's Auto Physical Damage coverage deductible is \$500,000 per occurrence with certain exceptions: \$25,000 for on-premises comprehensive and collision; a \$100,000 minimum for emergency vehicles and all other vehicles with an RCV of \$250,000 to \$750,000; \$250,000 for all vehicles with an RCV above \$750,000.</p>				

**Risk Financing Limits**  
Fiscal Year ended August 31, 2025, and 2024

<p>(8) Cyber coverage is included under the Pool's Property program on an optional basis. 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/member's property TIV, with an 8-hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum liability limit is \$2 million, with various declared sub-limits.</p> <p>(9) Pollution coverage is included under the Pool's Property program on an optional basis. Members are subject to a 20% co-pay per loss. The Pool's SIR is \$250,000, with certain specific deductibles ranging from \$250,000 to \$1 million. The reinsurance maximum liability limit is \$2 million, with various declared sub-limits.</p> <p>(10) Each member is provided with \$2,500 of Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance"). Members may elect to "buy up" the coverage from \$2,500 to \$1 million.</p> <p>(11) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits ranging from \$5,000 to \$1 million.</p> <p>(12) Blanket Accident Insurance is procured for specific participating organizations (Fire Districts) for accidental death and dismemberment benefits that apply while eligible persons are performing specific covered activities as part of their job. There are various limits based on the covered event.</p> <p>(13) The Alliant Deadly Weapon Response Program provides protection webinars and coverage for third-party bodily injury, property damage, business interruptions, and crisis management for events occurring at member locations listed under the property policy. The limit is \$500,000 per deadly weapon event, with various sub-limits, and a \$2.5 million annual aggregate shared by Members of the Pool. The SIR is \$10,000 per event; members are not subject to deductibles.</p> <p>(14) Identity Fraud Expense Reimbursement coverage and Identity Fraud Resolution Services are provided for our Members and include coverage for full and part-time employees and member-elected or appointed officials. Member claims are not subject to a deductible; the limit is \$25,000 per insured person member.</p>
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The limits in this table are subject to change by Enduris and are limited by specific conditions as specified in the memorandum of coverage provided to each member entity.

Article 8 of the Master Agreement states that the funds of Enduris shall be used to hold harmless and defend any director, officer, executive director, or employee for any act or omission taken or omitted in good faith by the Board, the executive director, or employee relating to or arising out of the conduct of Enduris' business. This obligation shall be considered Enduris' expense. Subject to availability and cost, Enduris may purchase insurance covering directors, officers, and the executive director.

**Note 4 – Excess and Reinsurance Insurance Contracts**

Enduris maintains excess/reinsurance contracts with several insurance carriers, which provide various limits of coverage over the Pool's self-insured retention limits. The limits provided by these excess/reinsurance contracts for the fiscal years ended August 31, 2025 and 2024 are shown in the following table:

Coverage	Carrier	Pool Limit	Type
<b>General Liability</b> <sup>(1)</sup>	Government Entities Mutual Inc. Great American Ins Co Everest Reinsurance Co	\$9 million \$5 million excess of \$10 million \$5 million excess of \$15 million	Occurrence
<b>Public Officials Errors &amp; Omissions</b> <sup>(1)</sup>	Government Entities Mutual Inc. Great American Ins Co Everest Reinsurance Co	\$9 million \$5 million excess of \$10 million \$5 million excess of \$15 million	Occurrence
<b>Employment Practices Liability</b> <sup>(1)</sup>	Government Entities Mutual Inc. Great American Ins Co Everest Reinsurance Co	\$9 million \$5 million excess of \$10 million \$5 million excess of \$15 million	Occurrence
<b>Property</b> <sup>(2)</sup>	Alliant Property Insurance Program (APIP)		
Buildings and Contents		\$1 billion	Occurrence
Mobile Equipment		\$1 billion	Occurrence

Coverage	Carrier	Pool Limit	Type
<b>Property continued</b> <sup>(2)</sup>			
Boiler and Machinery		\$100 million	Occurrence
Business Interruption (BI)/ Extra Expense (EE)		\$100 million (BI)/ \$50 million (EE)	Occurrence
Automobile Physical Damage		\$1 billion	Occurrence
<i>Property Sub-limits:</i>			
Flood		\$50 million	Occurrence
Earthquake		\$10 million	Occurrence
Terrorism (Primary)		\$100 million per occurrence \$200 million aggregate	Occurrence
Terrorism (Excess)		\$600 million Pool aggregate \$1.1 billion per occurrence AIP program, \$1.4 billion AIP program aggregate	Occurrence
<b>Cyber</b>	Alliant Property Insurance Program (AIP)	\$2 million each claim, PY 2025 \$55 million/ PY 2024 \$45 million AIP program aggregate	Claims made and reported
<b>Pollution</b>	Alliant Property Insurance Program (AIP)	\$2 million each claim \$25 million AIP program aggregate	Claims made and reported
<b>Crime Blanket</b>	National Union Fire Insurance Co	\$1 million	Discovery form
<b>Blanket Accident Insurance</b>	AXIS Insurance Company	Various, based on the covered event, for specific participating organizations (Fire Districts), per eligible person	Claims made and reported
<b>Alliant Deadly Weapon Response Program</b>	Underwriters at Lloyd's of London	\$500,000 each event \$2.5 million annual aggregate	Claims made and reported
<b>Identity Fraud Expense Reimbursement</b>	Travelers Casualty and Surety Company of America	\$25,000 per insured person /each event	Claims made and reported
<sup>(1)</sup> Government Entities Mutual, Inc., PCC (GEM) provided the \$9 million primary layer of liability reinsurance coverage above the Pool's \$1 million self-insured retention. Great American Insurance Company provided \$5 million above the first \$10 million, and Everest Reinsurance Company provided \$5 million above the first \$15 million. <sup>(2)</sup> Member's scheduled property is covered 100% to the extent of the cost of repair or replacement according to the excess/reinsurance policy.			

The policy year for Enduris membership is September 1 through August 31. Liability excess/reinsurance policies are effective for the same period. Property excess/reinsurance policies are effective July 1 through June 30. Limits are subject to change at the time of policy renewal. When the limits change, Enduris may be responsible for any differences between the coverage provided to the membership at the beginning of the policy year and the limits purchased at renewal.

As of August 31, 2025, and 2024, Enduris management opines that there were no open claims against Enduris members that would result in an additional liability to the Pool above the self-insured retention. In addition, during 2025 and 2024, no claim settlements, per occurrence or in aggregate, exceeded the coverage provided by excess/reinsurance contracts.

The cost of excess/reinsurance was \$12.4 million in 2025 and \$12.1 million in 2024, while recoveries (ceded losses) equaled \$3.4 million and \$3.1 million during 2025 and 2024, respectively.

The following table summarizes the actuarially estimated amount recoverable from excess/reinsurance carriers that reduced claim reserves on the balance sheet on August 31, 2025, and 2024:

<b>Actuarial Estimates for Excess/Reinsurance Recoveries</b>		
<b>As of August 31st - Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
Open Claim Reserves	\$ 8,605	\$ 5,766
IBNR	\$ 4,776	\$ 2,876
<b>Total</b>	<b>\$ 13,381</b>	<b>\$ 8,642</b>

## **Note 5 – Cash Deposits and Investments**

Enduris’s cash deposits and investments consisted of the following on August 31, 2025, and 2024:

<b>Cash Deposits and Investments</b>		
<b>As of August 31st - Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
Funds held by the Spokane County Treasurer:		
Spokane County Investment Pool (SPIF)	\$ 11,580	\$ 11,191
Funds held by the Office of the WA State Treasurer:		
Local Government Investment Pool (LGIP)	63,157	50,699
Cash in Bank	1,334	2,505
<b>Total</b>	<b>\$ 76,071</b>	<b>\$ 64,395</b>

In accordance with RCW 39.58, Enduris’s fund deposits are entirely 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). Funds not required for immediate expenditure are invested in the Spokane County Investment Pool (SPIF) or the Local Government Investment Pool (LGIP).

Enduris’s Board policy authorizes investments with the following external investment pools:

### **Investments in the Spokane County Investment Pool (SPIF)**

Enduris participates in the Spokane County Investment Pool (SPIF) through a formal interlocal agreement with the Spokane County Treasurer’s Office. Operated by the Spokane County Treasurer’s Office under RCW 36.29, SPIF is not rated or registered with the Securities & Exchange Commission (SEC). SPIF is governed by investment policies approved by the County Finance Committee by RCW 36.48.070. Regulatory oversight is provided by the State Auditor’s Office and the Finance Committee. SPIF has not obtained, nor does it offer, legally binding guarantees.

Funds invested in SPIF can be withdrawn on demand and are reported as cash and cash equivalents. They are carried at cost plus interest, which approximates fair value. The fair value of Enduris’ position in SPIF is approximately the same as the value of the Pool’s shares.

SPIF allocates Interest earnings to participants based on the average daily balance and credits them monthly. At the end of fiscal years 2024 and 2025, respectively, the SPIF effective rate of return was 3.25% and 3.81%.

**Interest Rate Risk.** As of August 31, 2025, and 2024, SPIF reported effective durations of 1.70 years and 1.55 years, respectively. To reduce risk from increasing interest rates, all securities acquired for the investment pool should maintain a weighted-average maturity of 2.5 years or less. SPIF’s weighted average maturity was 1.61 years on August 31, 2024, and 1.71 years on August 31, 2025. SPIF’s market value is determined every month; however, participants do not receive distributions of unrealized gains or losses. Earnings are allocated each month utilizing an amortized cost methodology.

**Credit Risk.** SPIF is not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, the SPIF Investment Policy authorizes investments in U.S. Treasury securities, U.S. agency securities, supranational institution obligations, municipal securities, certificates of deposits or bank deposits of qualified public depositories, repurchase agreements, corporate notes, commercial paper, Direct District Notes, and the Local

Government Investment Pool. Investments by SPIF are limited by state statute. SPIF deposits and certificates of deposit are covered by federal depository insurance (FDIC and FSLIC) or by collateral held in a multiple financial institution collateral pool administered by the PDPC.

The SPIF investment policy is available in its entirety at [www.spokanecounty.org](http://www.spokanecounty.org).

#### Investments in the Local Government Investment Pool (LGIP)

In March 2024, Enduris became a participant in the Local Government Investment Pool (LGIP), an external investment pool operated by the Washington State Office of the Treasurer (OST). LGIP is not rated or registered with the Securities & Exchange Commission (SEC). The State Finance Committee provides regulatory oversight in accordance with RCW 43.250. The State Treasurer is responsible for establishing the investment policy for the pool and for reviewing it annually. The LGIP Advisory Committee reviews the proposed changes.

LGIP's portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure their investments at amortized cost for financial reporting purposes. In accordance with GASB 79 paragraph 41, external participants are required to report their investment in the same manner as the investment pool. As such, Enduris reports its investment in LGIP at amortized cost, which is equivalent to the pool's per-share value. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The LGIP is comparable to a Rule 2a-7 money market fund recognized by the SEC. Rule 2a-7 funds are limited to high-quality obligations with limited maximum and average maturities, the effect of which is to minimize both market and credit risk. As of August 31, 2025, and 2024, the weighted average maturity of the LGIP portfolio was 33 days and 14 days, respectively. The effective net rate of return was 4.38% on August 31, 2025, and 5.40% on August 31, 2024.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy is available from the Office of the State Treasurer, PO Box 40200, Olympia, WA 98504-0200, or online at <http://www.tre.wa.gov>.

## Note 6 – Capital Assets

Summary of capital asset changes for fiscal years ending August 31, 2025 and 2024:

<b>Capital Assets</b>							
<b>As of August 31st – Dollars in Thousands</b>							
	<b>Balance 2023</b>	<b>Increases</b>	<b>Other Decreases</b>	<b>Balance 2024</b>	<b>Increases</b>	<b>Other Decreases</b>	<b>Balance 2025</b>
<b>Non-depreciable assets:</b>							
Land	\$ 1,374	\$ -	\$ -	\$ 1,374	\$ -	\$ -	\$ 1,374
Other assets	35	-	-	35	-	-	35
<b>Non-depreciable assets</b>	<b>\$ 1,409</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,409</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,409</b>
<b>Depreciable assets:</b>							
Buildings and improvements	\$ 4,361	\$ -	\$ -	\$ 4,361	\$ -	\$ -	\$ 4,361
Land improvements	521	-	-	521	-	-	521
Furniture and equipment	182	55	-	237	13	-	250
Vehicles	94	-	(30)	64	-	-	64
Right-to-use subscription asset <sup>(1)</sup>	580	-	-	580	5	-	585
<b>Depreciable assets, at cost</b>	<b>\$ 5,738</b>	<b>\$ 55</b>	<b>\$ (30)</b>	<b>\$ 5,763</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ 5,781</b>
<b>Accumulated depreciation/ amortization</b>	<b>\$ (2,142)</b>	<b>\$ (466)</b>	<b>\$ 30</b>	<b>\$ (2,578)</b>	<b>\$ (408)</b>	<b>\$ -</b>	<b>\$ (2,986)</b>
<b>Depreciable assets, net</b>	<b>\$ 3,596</b>	<b>\$ (411)</b>	<b>\$ -</b>	<b>\$ 3,185</b>	<b>\$ (390)</b>	<b>\$ -</b>	<b>\$ 2,795</b>
<b>Capital assets, net</b>	<b>\$ 5,005</b>	<b>\$ (411)</b>	<b>\$ -</b>	<b>\$ 4,594</b>	<b>\$ (390)</b>	<b>\$ -</b>	<b>\$ 4,204</b>
<b>Total Capital Assets, at cost</b>	<b>\$ 7,147</b>	<b>\$ 55</b>	<b>\$ (30)</b>	<b>\$ 7,172</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ 7,190</b>

<sup>(1)</sup> Revised in 2023 as part of GASB 96 implementation to record Software Based Information Technology Agreement (SBITA).

In fiscal 2023, Enduris adopted GASB 96, Subscription-Based Information Technology Arrangements (SBITAs). Capital Assets include intangible right-to-use subscription assets and related accumulated amortization. In fiscal 2025, the Pool entered into contract amendments increasing the SBITA by \$5,075. (See Note 7).

Enduris owns an office building in Spokane, Washington. It was built in 2012, and since then, land and building improvements have been capitalized under the policy.

On August 6, 2020, Enduris entered into a twenty-year Lease Agreement with Spokane Regional Clean Air Agency (SRCAA) to lease part of the building owned by the Pool. Under the contract, Enduris was obligated to manage, design, and complete specific property owner and tenant improvements before the lease commencement date. The Pool was responsible for paying for the preliminary “shell” work for the space and a tenant improvement allowance, totaling approximately \$570,000. SRCAA was accountable for any additional cost. The construction project was completed, and SRCAA moved into the space in June 2021.

Enduris reviews the residual value and the useful life of capital assets at each fiscal year's end. In fiscal 2024, the Pool revised the estimated useful life of the building and improvements, effective September 1, 2023. As required by GASB Statement 62, the revisions were accounted for prospectively as a change in accounting estimates. As a result, the depreciation charges for the Pool for the 2024 fiscal year increased by approximately \$60,000.

## Note 7 – Subscription-Based Information Technology Arrangements (SBITAs)

Enduris adopted GASB 96, Subscription-Based Information Technology Arrangements (SBITAs) in fiscal 2023. A SBITA is a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Most of the Pool’s subscription arrangements are excluded from GASB 96 as they are short-term or perpetual licenses as defined under GASB 96. Enduris records a right-to-use subscription asset and a corresponding subscription liability when total payments for the fixed costs over the subscription term exceed \$5,000. Subscriptions that do not meet this capitalization criterion are recognized as current-period expenses.

Enduris has identified one contract as a SBITA, granting use of an IT vendor’s Risk Management Information System (RIMS). The original contract ended August 31, 2023, with all obligations settled and assets removed. On August 29, 2023, Enduris extended the agreement through August 31, 2026, with a fixed, three-year cost and annual upfront payments. Specific service components are excluded from the SBITA calculations and, although Pool Members have limited access and the contract outlines specific user seats, Enduris does not consider this a variable payment per GASB 96, paragraph 17. The net present value of the future payments was recorded as a new subscription asset of \$580.1 thousand and a subscription liability of \$592.7 thousand as of August 31, 2023.

Multiple amendments have been made during the term, primarily for non-SBITA services. However, in fiscal 2025, new amendments increased the Subscription Assets by \$5,075 for items now included as SBITA components. The net present value of the future payments was recorded as an addition of \$5.1 thousand to the subscription asset and \$4.1 thousand to the subscription liability.

The total Right-to-Use Subscription Assets, net of accumulated amortization, as of August 31, 2025, and 2024, were \$198.4 thousand and \$386.7 thousand, respectively, as outlined in the following table. Amounts are included in Capital Assets (see Note 6).

<b>Subscription Assets</b>							
<b>As of August 31st - Dollars in Thousands</b>							
	<b>Balance 2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 2025</b>
Right -to-use Subscription Assets	\$ 580.1	\$ -	\$ -	\$ 580.1	\$ 5.1	\$ -	\$ 585.2
Accumulated Amortization	-	(193.4)	-	(193.4)	(193.4)	-	(386.8)
<b>Net Subscription Asset</b>	<b>\$ 580.1</b>	<b>\$ (193.4)</b>	<b>\$ -</b>	<b>\$ 386.7</b>	<b>\$ (188.3)</b>	<b>\$ -</b>	<b>\$ 198.4</b>

Contract payments are made at the start of each fiscal year. The payment for fiscal 2025 was made early in August 2024; the payment for fiscal 2026 was completed in September 2025. Thus, only one payment remained due as of August 31, 2024, and August 31, 2025. Total subscription liability principal and interest to maturity was \$201.5 thousand, compared to \$197.6 thousand as of August 31, 2024. Principal and interest breakdown is provided in the following table.

<b>Subscription Liabilities</b>			
<b>Principal and Interest Requirements to Maturity</b>			
<b>As of August 31, 2025 - Dollars in Thousands</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 197.1	\$ 4.4	\$ 201.5
<b>Total</b>	<b>\$ 197.1</b>	<b>\$ 4.4</b>	<b>\$ 201.5</b>
<b>As of August 31, 2024 - Dollars in Thousands</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ -	\$ -	\$ -
2026	\$ 193.0	\$ 4.6	\$ 197.6
<b>Total</b>	<b>\$ 193.0</b>	<b>\$ 4.6</b>	<b>\$ 197.6</b>

## Note 8 – Lease Receivable

On August 6, 2020, Enduris entered into a Lease Agreement with the Spokane Regional Clean Air Agency (SRCAA) to lease part of the Pool's building for general office use. Under the contract, Enduris was obligated to manage, design, and complete certain property owner and tenant improvements before the lease commencement date. The Pool was responsible for paying for the preliminary “shell” work for the space and a tenant improvement allowance. SRCAA was liable for any additional costs. The construction project was completed, and SRCAA moved into the space in June 2021.

The total cost of buildout and improvements for the lessor was \$562,163. At the time the lease was entered into, the Pool estimated the remaining useful life of these assets to be between 10 and 50 years. Enduris uses straight-line depreciation. On August 31, 2025 and 2024, the net building and improvements on lease totaled \$467.3 thousand and \$491.3 thousand, respectively, as outlined in the table below. Amounts are included in Capital Assets (see Note 6).

<b>Property on Lease, net</b>		
<b>As of August 31st - Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
Buildings and Improvements	\$569.2	\$569.2
Less: Accumulated Depreciation	\$101.9	\$77.9
<b>Property on Lease, net</b>	<b>\$467.3</b>	<b>\$491.3</b>

Enduris's fiscal year ends on August 31st, and as a pool, all activity is accounted for within the proprietary fund. The Pool uses the date the asset is placed in service to calculate the amortization of all capital assets and deferred outflows/inflows of resources from leases.

The lease is for a noncancelable 20-year term from June 1, 2021, to May 31, 2041. The tenant has no right or option to extend the lease. This is a gross lease in which Enduris covers annual utility and service costs for the building and grounds. The lessor must pay rent on the first of each month, with the base rent increasing by 2.5% annually under the original Lease Agreement. As of June 1, 2024, the monthly rent increased to \$15,136.

A Lease Addendum signed on June 5, 2025, waives the annual 2.5% base monthly rate increase from 2025 to 2028, so the monthly rent stays at \$15,136; increases resume June 1, 2029. In addition, the original \$133,000 carpet, and paint allowance for year 11 (June 2031) was removed.

The adjustments to future cash flows outlined in the Lease Addendum were determined to be a lease modification as defined by GASB 87. Consequently, the Pool was obligated to remeasure the lease receivable, revise the contractual cash flows under the contract, and update the discount rate.

Neither the original lease nor the addendum specifies an interest rate, and the Pool has not calculated the periodic payments it charges SRCAA based on a specific interest rate. Enduris cannot estimate the rate implicit in the lease contract, does not know SRCAA's incremental borrowing rate, and cannot identify similar instruments for which there are published market rates.

- At the origination of the lease, Enduris used its own estimated incremental borrowing rate of 2.85%, based on the 20-year fixed mortgage rate interpolated from the 15-year and 30-year mortgage rates as of June 1, 2020, the inception of the lease term, as the discount rate in calculating the present value of the future lease payments it will receive. The Pool used its 2.85% incremental borrowing rate as the discount rate to calculate the present value of future payments.
- As of the date of the Lease Addendum, Enduris revised the discount rate to 6%, the Pool's own estimated incremental borrowing rate. This rate was based on the 15-year fixed mortgage rate interpolated from the 15-year and 30-year mortgage rates as of June 1, 2025, the date of the lease addendum, as the discount rate in calculating the present value of the future lease payments it will receive. The Pool also uses this 6% incremental borrowing rate as the discount rate when calculating the present value of future payments.

Enduris allocates part of the facility costs to the lease based on its share of the building area. Actual utilities and service costs were \$48.0 thousand for fiscal 2025 and \$39.6 thousand for 2024, both notably higher than the original estimates. The higher actual variable costs were included in the lease modification calculation, with the estimated future annual costs calculated using a 2.5% inflation rate.

The impact of the remeasurement related to the lease modification was to reduce the lease receivable and deferred inflows-leases by \$865.9 thousand. The comparative balances, along with related revenue for fiscal years 2024 and 2025, are presented in the following table.

<b>Lease Receivable, Deferred Inflows and Related Revenue</b>		
<b>As of August 31st - Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
Lease Receivable (current)	\$ 45.6	\$ 81.5
Lease Receivable (non-current)	1,382.8	2,288.0
<b>Total Lease Receivable</b>	<b>\$ 1,428.4</b>	<b>\$ 2,369.5</b>
<b>Deferred Inflows-Leases</b>	<b>\$ 1,200.9</b>	<b>\$ 2,183.6</b>
Lease Revenue	\$ 103.6	\$ 124.7
Lease Interest Income	71.7	68.7
<b>Total Revenue</b>	<b>\$ 175.3</b>	<b>\$ 193.4</b>

Lease payments received totaled \$181.6 thousand and \$178.3 thousand for the fiscal years ending August 31, 2025 and 2024, respectively.

This lease is not part of the Pool's principal ongoing operations. Under GASB 87, the non-operating income from this lease was \$175.3 thousand for the fiscal year ending August 31, 2025, and \$193.4 thousand for the fiscal year ending August 31, 2024.

## **Note 9 – Investment in GEM**

Enduris is a founding Government Entities Mutual, Inc., PCC (GEM) member and made a \$975,708 Initial Surplus Contribution in fiscal 2003. As a member of GEM, the Pool accounts for the investment in GEM using the equity method of accounting.

GEM is domiciled in the District of Columbia and is capitalized by Member public entity risk pools. The company commenced operations on January 1, 2003. It provides reinsurance to its members on an excess-of-loss or quota-share basis for general liability, auto liability, and workers' compensation coverage.

GEM was formed initially as an association-sponsored reinsurance captive on behalf of a group of public entity risk pools. Starting in January 2010, the company updated its articles of incorporation to become a protected cell captive insurer according to the District of Columbia's captive insurance regulations. A protected cell captive insurer in the District of Columbia can establish separate protected cells within the company, whereby the assets and liabilities of any one cell are financially and legally protected from those of the other cells. Should any individual cell become insolvent, the creditors of that cell will have access only to its assets and will not have recourse to the assets of other cells within the company. As of the company's December 31, 2024, audited financial statement, GEM had not created any protected cells.

A CEO manages GEM and has an elected Board from the membership. GEM operates independently from Enduris, and the Pool does not substantially influence GEM's management. GEM's management works to ensure the availability, cost, and quality of excess or reinsurance layers necessary for its member pools during challenging phases of the insurance market cycle. It performs traditional functions such as marketing, underwriting, financial and regulatory administration, claims and litigation management, and risk management through staff or vendors.

Each year, GEM evaluates members' underwriting data and sets reinsurance coverage, terms, and pricing. Members may accept the quote or buy reinsurance elsewhere. GEM is a non-assessable mutual insurance company, which means that the liability of each policyholder is limited to the amount of the premium owned on the policy. GEM procures reinsurance coverage from the commercial market to limit its net exposure. GEM's retention is determined by the specific insurance limits written for each member. Enduris has purchased various limits of liability reinsurance coverage from GEM for both policy years 2025 and 2024. See Note 4 – Excess and Reinsurance Insurance Contracts for more information.

As of August 31, 2025, GEM's membership included twenty-three public entity risk pools. GEM has three membership classifications: Founding, Premier, and Associate Members. Enduris is a Founding Member.

Each GEM Member’s “Contributed Surplus” and “Allocated Surplus” account balance and member type provide certain rights and obligations, and include:

- The GEM Board may request additional surplus contributions, in such amounts and at such times as deemed necessary and appropriate by the Board, to maintain adequate surplus-to-premium ratios.
- Each GEM Member has one vote for each \$100,000 of the Member’s allocated surplus account balance.
- If a member ceases obtaining insurance from GEM, they can either withdraw their Surplus Contributions or maintain an account. GEM’s current policies regarding withdrawals are:

Founding and Premier Members withdrawing from GEM within the first five years of joining forfeit their Surplus Contribution and any Allocated Surplus.

Founding and Premier Members who have been with GEM for over five years can withdraw only their Initial and Additional Surplus Contributions, but any Allocated Surplus is forfeited. If the Member elects to withdraw the account and is no longer a Member of GEM, the withdrawal must be approved by GEM’s Board of Directors and is subject to the approval of the Department of Insurance, Securities, and Banking of Washington, D.C. It can take up to five years from the date of the withdrawal notice for completion.

Associate Members who withdraw forfeit their Surplus Contribution and any Allocated Surplus.

Enduris has not made any additional contributions to GEM since the initial \$975,708 investment in 2003.

Enduris accounts for the Pool’s investment in GEM using the equity method of accounting, under which the Enduris Investment in GEM includes the Pool’s initial investment and the proportionate share of cumulative earnings each year based on GEM’s most recent audited financial statements.

The Enduris Statement of Net Position reflects the Pool’s total investment of \$3.7 million on August 31, 2025, and \$3.8 million on August 31, 2024. Enduris’s proportionate share of the change in GEM’s cumulative earnings is recorded yearly as non-operating income (expense). The change in equity was a loss of \$132,779 for fiscal year 2025 and a gain of \$717,090 for fiscal year 2024.

For more information, including GEM’s annual report, please visit their website at <http://www.gemre.com>.

## Note 10 – Pension Plans

The table to the right represents the Enduris aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, Accounting and Financial Reporting for Pensions, for the fiscal years ending August 31, 2025 and 2024.

Aggregate Pension Amounts - All Plans		
Fiscal Years Ended August 31st – Dollars in Thousands		
	2025	2024
Pension assets	\$ 592	\$ 514
Pension liabilities	\$ 141	\$ 211
Deferred outflows of resources	\$ 719	\$ 652
Deferred inflows of resources	\$ 169	\$ 214
Pension (income) expense	\$ (33)	\$ (29)

### State-Sponsored Pension Plans

Substantially all Enduris’ full-time and qualifying part-time employees participate in the Public Employees’ Retirement System (PERS), one of the 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.

As established in the Revised Code of Washington (RCW) Chapter 41.5, the DRS, a department within the primary government of the State of Washington, administers eight retirement systems covering eligible employees of the state and local governments. Administration costs of the retirement systems are funded by an employer rate of 0.20% of reported compensation.

The state Legislature establishes and amends laws regarding the creation and administration of public retirement systems.

The DRS issues a publicly available, annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The most recent DRS ACFR, dated June 30, 2025, may be downloaded from the DRS website at <http://www.drs.wa.gov> or obtained by writing to the Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380.

**Public Employees’ Retirement System (PERS) Plans**

**A. Administration**

PERS was established in 1947, and its retirement benefit provisions are contained in Chapters 41.34 and 41.40 RCW. It is a cost-sharing, multiple-employer retirement system composed of three separate plans for membership purposes. PERS Plan 1 and Plan 2 are defined benefit plans, and PERS Plan 3 is a defined benefit plan with a defined contribution component.

PERS members include elected officials, state employees, local government employees, and higher education employees not participating in higher education retirement plans (HERPs).

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

Although employees can be members of only Plan 2 or Plan 3, the defined benefits portion of Plan 2 and Plan 3 is accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered a single plan for accounting purposes.

**B. Participation**

Enduris is a **Participating Employer** in PERS Plan 2 and PERS Plan 3 and a **Non-Employer contributing entity** in PERS Plan 1.

PERS Plan 1 was closed to new entrants on September 20, 1977. Although Enduris has no active members in PERS Plan 1, as a non-employer contributing entity, the Pool must contribute to the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL) based on its PERS Plan 2/3 employer contribution.

The table to the right summarizes the number of participating employers and non-employer contributing entities that contributed to the PERS retirement system over the last two years as of June 30th.

<b>Number of Participating Employers and Non-Employer Contributing Entities</b>		
<b>As of June 30th</b>		
	<b>2025</b>	<b>2024</b>
<b>Employer:</b>		
PERS Plan 1	105	126
PERS Plan 2	852	843
PERS Plan 3	626	615
<b>Non-Employer:</b>		
PERS Plan 1	1,047	1,003

**Membership** includes both active and inactive members. Inactive plan members receiving benefits include retired members or their beneficiaries currently receiving benefits. Inactive members not yet receiving benefits are inactive plan members who are entitled to but not yet receiving benefits. Membership for nonvested inactive plan members is excluded from the membership counts. Active plan members include both vested and nonvested members. The total membership within each PERS Plan as of June 30<sup>th</sup>, the DRS Fiscal year-end, is presented on the table to the right.

<b>Number of Participating Members</b>		
<b>As of June 30th</b>		
	<b>2025</b>	<b>2024</b>
PERS Plan 1	36,579	38,289
PERS Plan 2	256,272	249,175
PERS Plan 3	57,452	56,355

### C. Benefits Provided

**PERS Plan 1** provides retirement, disability, and death benefits. Retirement benefits are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of service. AFC is the average of the member's 24 consecutive highest-paid service credit months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service.

PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from inactive status before age 65 may also receive actuarially reduced benefits. Other benefits include an optional Cost-of-Living Adjustment (COLA).

**PERS Plan 2/3** provides retirement, disability, and death benefits. Retirement benefits for Plan 2 are calculated as 2% times the member's Average Final Compensation (AFC) times the member's years of service. Defined benefits for Plan 3 are calculated using 1% times the member's AFC times the member's years of service. AFC is the monthly average of the member's 60 highest-paid consecutive service months.

Members are eligible for full benefits at age 65, provided they have at least 5 years of service credit. Retirement before the age of 65 is considered early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 or older are eligible for early retirement with a reduced benefit. The benefit is reduced by a factor that varies with age each year before age 65.

PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen.

Other PERS Plan 2/3 benefits include a Cost-Of-Living Adjustment (COLA) based on the Consumer Price Index, capped at 3% annually.

Annuities purchased with Plan 3 defined contributions invested within the WSIB TAP by Plan 3 members are considered defined benefits. Plan 3 WSIB TAP annuities are actuarially reduced if a survivor benefit is chosen, and purchased annuities include a COLA of 3% annually.

**PERS Plan 3** Defined contributions benefits are dependent on employee contributions and investment earnings on those contributions.

### D. Vesting

**PERS Plan 1** members were vested after completing five years of eligible service.

**PERS Plan 2** members are vested after completing five years of eligible service.

**PERS Plan 3** members are immediately vested in the defined contribution portion of their plan. Members are eligible to withdraw their defined contributions upon separation of employment. Members have multiple withdrawal options, including annuity purchases. PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service or after five years of service if 12 months of that service are earned after age 44.

### E. Contributions

All employers are required to contribute at the level established by the Legislature. The methods used to determine PERS contribution requirements are established under state statute under Chapters 41.40 and 41.45 RCW.

#### Contribution Requirements

The following PERS System contribution requirements were in effect during the Pool's last two fiscal years:

The **PERS Plan 1** member contribution rate is 6%, established in statute. The employer contribution rate is developed by the Office of the State Actuary (OSA), adopted by the Pension Funding Council, and subject to legislative change.

The **PERS Plan 2/3** defined benefit employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2 and the defined benefit portion of Plan 3. The Pension Funding Council adopts the rates, which are subject to change by the Legislature. The employer rate includes a component addressing the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, **PERS Plan 3** defined contribution rates are set at a minimum of 5% and a maximum of 15%. When joining the Pool, PERS Plan 3 members choose their contribution rate from six options and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

Contribution Rates

**PERS Plan 1** contribution rates, shown as a percentage of covered payroll, for the Pool’s fiscal years ending August 31, 2025 and 2024 are listed in the adjacent table.

<b>PERS Plan 1</b>				
<b>Required Contribution Rates - State Agencies, Local Government Units</b>				
<b>Fiscal Years Ended August 31st</b>				
<b>2025</b>				
	<b>7/1/2025-8/31/2025</b>		<b>9/1/2024-6/30/2025</b>	
<b>Contribution Rates:</b>	<b>Employer</b>	<b>Employee</b>	<b>Employer</b>	<b>Employee</b>
PERS Plan 1	5.38%	6.00%	6.36%	6.00%
Pers Plan 1 UAAL <sup>(1)</sup>	0.00%		2.55%	
Administrative Fee	0.20%		0.20%	
<b>Total</b>	<b>5.58%</b>	<b>6.00%</b>	<b>9.11%</b>	<b>6.00%</b>
<b>2024</b>				
	<b>7/1/2024-8/31/2024</b>		<b>9/1/2023-6/30/2024</b>	
<b>Contribution Rates:</b>	<b>Employer</b>	<b>Employee</b>	<b>Employer</b>	<b>Employee</b>
PERS Plan 1	5.86%	6.00%	6.36%	6.00%
Pers Plan 1 UAAL <sup>(1)</sup>	2.97%		2.97%	
Administrative Fee	0.20%		0.20%	
<b>Total</b>	<b>9.03%</b>	<b>6.00%</b>	<b>9.53%</b>	<b>6.00%</b>

<sup>(1)</sup> Employer rates include the rate to fund the Unfunded Actuarial Accrued Liability (UAAL) of PERS 1 Plan 1.

**PERS Plan 2/3** required defined benefit contribution rates, shown as a percentage of covered payroll, for the Pool's fiscal years ending August 31, 2025 and 2024, are listed in the adjacent table.

<b>PERS Plan 2/3</b>						
<b>Required Contribution Rates - State Agencies, Local Government Units</b>						
<b>Fiscal Years Ended</b>	<b>2025</b>					
	<b>7/1/2025-8/31/2025</b>			<b>9/1/2024-6/30/2025</b>		
	<b>Employer</b>	<b>Employee Plan 2</b>	<b>Employee Plan 3</b>	<b>Employer</b>	<b>Employee Plan 2</b>	<b>Employee Plan 3</b>
<b>Contribution Rates:</b>						
PERS Plan 2/3	5.38%	5.38%	Varies <sup>(2)</sup>	6.36%	6.36%	Varies <sup>(2)</sup>
Pers Plan 1 UAAL <sup>(1)</sup>	0.00%			2.55%		
Administrative Fee	0.20%			0.20%		
<b>Total</b>	<b>5.58%</b>	<b>5.38%</b>	<b>Varies<sup>(1)</sup></b>	<b>9.11%</b>	<b>6.36%</b>	<b>Varies<sup>(1)</sup></b>

<b>Fiscal Years Ended</b>	<b>2024</b>					
	<b>7/1/2024-8/31/2024</b>			<b>9/1/2023-6/30/2024</b>		
	<b>Employer</b>	<b>Employee Plan 2</b>	<b>Employee Plan 3</b>	<b>Employer</b>	<b>Employee Plan 2</b>	<b>Employee Plan 3</b>
<b>Contribution Rates:</b>						
PERS Plan 2/3	5.86%	6.36%	Varies <sup>(2)</sup>	6.36%	6.36%	Varies <sup>(2)</sup>
Pers Plan 1 UAAL <sup>(1)</sup>	2.97%			2.97%		
Administrative Fee	0.20%			0.20%		
<b>Total</b>	<b>9.03%</b>	<b>6.36%</b>	<b>Varies<sup>(1)</sup></b>	<b>9.53%</b>	<b>6.36%</b>	<b>Varies<sup>(1)</sup></b>

<sup>(1)</sup> Employer rates include the rate to fund the Unfunded Actuarial Accrued Liability (UAAL) of PERS 1 Plan 1.

<sup>(2)</sup> Variable from 5% to 15% based on rate the member selects.

#### Enduris' Actual PERS Plan Contributions and Administrative Fees

As a non-employer contributing entity in **PERS Plan 1**, Enduris' contribution amounts are allocated to the Plan 1 UAAL, totaling \$58,488 and \$70,338 for the fiscal years ending August 31, 2025, and 2024, respectively. For the DRS fiscal year ending June 30, 2025, and 2024, the amounts were \$65,803 and \$71,185, respectively.

The Pool's actual contributions allocated to **PERS Plan 2/3** were \$169,486 and \$155,014 for the fiscal years ended August 31, 2025, and 2024, respectively. For the DRS fiscal years ending June 30, 2025, and 2024, the amounts were \$164,505 and \$153,368.

Enduris paid DRS administrative fees of \$5,467 and \$4,874 for the fiscal years ending August 31, 2025, and 2024, respectively. The amounts for the fiscal year ending June 30, 2025, and 2024 were \$5,173 and \$4,745, respectively.

**F. Net Pension Liability (Asset)**

This table outlines the components of the Retirement Systems' collective net pension liability (asset) for all participating employers and non-employer contributing entities in PERS Plan 1 and PERS Plan 2/3 as of June 30, 2025, and 2024.

<b>PERS Plan 1 - All Participating Employers</b>		
<b>Net Pension Liabilities (Assets)</b>		
<b>As of DRS Fiscal Years Ended June 30th – Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
Total Pension Liability	\$ 10,789,754	\$ 11,141,258
Plan Fiduciary Net Position	(9,610,758)	(9,364,420)
<b>Net Pension Liability (Asset)</b>	<b>\$ 1,178,996</b>	<b>\$ 1,776,838</b>
<b>Plan Fiduciary Net Position as a</b>		
<b>Percentage of Total Pension Liability</b>	<b>89.07%</b>	<b>84.05%</b>

The separately issued DRS financial report provides detailed information about the State's pension plan's fiduciary net position.

<b>PERS Plan 2/3 - All Participating Employers</b>		
<b>Net Pension Liabilities (Assets)</b>		
<b>As of DRS Fiscal Years Ended June 30th – Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
Total Pension Liability	\$ 69,023,154	\$ 63,715,736
Plan Fiduciary Net Position	(72,839,330)	(67,012,309)
<b>Net Pension Liability (Asset)</b>	<b>\$ (3,816,176)</b>	<b>\$ (3,296,573)</b>
<b>Plan Fiduciary Net Position as a</b>		
<b>Percentage of Total Pension Liability</b>	<b>105.53%</b>	<b>105.17%</b>

**Allocation Method:** Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Non-Employer Allocations for all plans. Enduris' proportionate share of the collective net pension liabilities (assets) as of June 30, 2025, and 2024, is shown in the table to the right.

<b>PERS Plan 1 and Plan 2/3</b>			
<b>Enduris Proportionate Share of</b>			
<b>Net Pension Liabilities (Assets)</b>			
<b>For the DRS Fiscal Years Ended June 30th</b>			
	<b>2025</b>	<b>2024</b>	<b>Change</b>
∫ Plan 1	0.011934%	0.011891%	0.000043%
∫ Plan 2/3	0.015500%	0.015582%	-0.000082%

The table to the right outlines Enduris's proportionate share of the pension liabilities and assets for PERS Plan 1 and PERS Plan 2/3 as of August 31, 2025, and 2024.

<b>PERS Plan 1 and Plan 2/3</b>		
<b>Enduris Proportionate Share of</b>		
<b>Net Pension Liabilities (Assets)</b>		
<b>For the Fiscal Years Ended August 31st - Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
∫ Plan 1	\$ 141	\$ 211
∫ Plan 2/3	\$ (592)	\$ (514)
<b>∫</b>	<b>\$ (451)</b>	<b>\$ (303)</b>

### Actuarial Methods and Assumptions

For the DRS fiscal year that ended June 30, 2025, the total pension liability for each plan was determined by an actuarial valuation as of June 30, 2024, with the results rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all prior periods included in the measurement. The actuarial assumptions used in each year's valuation are summarized below, and the detailed assumptions can be found in the Actuarial Section of DRS's Annual Comprehensive Financial Report for the respective year.

<b>PERS Plan 1 and Plan 2/3</b>	
<b>Actuarial Assumptions</b>	
<b>DRS Fiscal Year Ended June 30, 2025</b>	
Inflation	2.75% total economic inflation, 3.25% salary inflation
Salary Increases	In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
Investment Rate of Return	7.00%
<b>DRS Fiscal Year Ended June 30, 2024</b>	
Inflation	2.75% total economic inflation, 3.25% salary inflation
Salary Increases	In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
Investment Rate of Return	7.00%

Mortality rates were developed using the Society of Actuaries' Publication H-2010 Mortality rates, which vary by member status (active, retiree, or survivor), as the base table. The Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates annually from the 2010 base table onward. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of the *2013-2018 Demographic Experience Study Report* and the *2021 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report, available at <https://leg.wa.gov/osa>.

#### Long-Term Expected Rate of Return

OSA selected a 7.0% long-term expected rate of return on pension plan investments for fiscal years 2025 and 2024. In selecting this assumption, OSA reviewed historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs), as well as simulated expected investment returns provided by the Washington State Investment Board (WSIB).

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

The expected future rates of return (expected returns net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

### Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025, and 2024.

The inflation component used to create the table is 2.75% for 2025 and 2.5% in 2024 for the years presented, representing WSIB's most recent long-term estimate of broad economic inflation.

<b>Estimated Rates of Return by Asset Class</b>				
<b>DRS Fiscal Years Ended June 30th</b>				
<b>Asset Class:</b>	<b>2025</b>		<b>2024</b>	
	<b>% Long-Term</b>			
	<b>Target Allocation</b>	<b>Expected Real Rate of Return Arithmetic</b>	<b>Target Allocation</b>	<b>Expected Real Rate of Return Arithmetic</b>
Fixed Income	19.0%	2.1%	19.0%	2.1%
Tangible Assets	8.0%	4.5%	8.0%	4.5%
Real Estate	18.0%	4.8%	18.0%	4.8%
Global Equity	30.0%	5.6%	30.0%	5.6%
Private Equity	25.0%	8.6%	25.0%	8.6%

### Discount Rate

The discount rate used to measure the total pension liability or asset for all DRS plans was 7.0% in both fiscal 2025 and 2024. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Based on the assumptions described in OSA's certification letter within the DRS ACFR, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% for fiscal 2025 and 2024 was applied to determine the total pension liability for each reporting period.

### Sensitivity of Net Pension Liability/ (Asset) to Changes in the Discount Rate

The table below presents Enduris' proportionate share of the net pension liability (asset) as of the DRS fiscal years ended June 30, 2025 and 2024, calculated using the discount rate of 7.0%, as well as what the Pool's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate as outlined in the table.

<b>Discount Rate Sensitivity</b>						
<b>Enduris' Proportionate Share of the Net Pension Liability (Assets)</b>						
<b>As of DRS Fiscal Years Ended June 30th - Dollars in Thousands</b>						
	<b>2025</b>			<b>2024</b>		
	<b>1% Decrease (6.0%)</b>	<b>Current Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>	<b>1% Decrease (6.0%)</b>	<b>Current Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
		237 \$	141 \$	56	\$ 311	\$ 211
	960 \$	(592) \$	(187)	\$ 926	\$ (514)	\$ (1,696)

**Changes in Assumptions and Methods:**

Actuarial results that OSA provided reflect the following changes in assumptions and methods for the June 30, 2024, valuation completed in 2025:

Assumption Changes:

- The Investment Rate of Return assumption was increased from 7.00% to 7.25% for all plans except LEOFF Plan 2.
- We improved our modeling of benefits paid to retirees and beneficiaries in their month of death to better match the current administration. The actuarial results that OSA provided reflect the following changes in assumptions and methods for the June 30, 2023, valuation completed in 2024:

Assumption Changes:

- Assumptions did not change from the prior contribution rate setting on June 30, 2022, Actuarial Valuation Report (AVR) dated June 30, 2022.

Method Changes:

- OSA adjusted their methods for calculating UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected.
- OSA made an adjustment to their model to reflect past inflation experience when modeling future COLAs for current annuitants in all plans except PERS 1.

**G. Pension Expense**

The table to the right summarizes the components of the pension (income) and expenses recognized by Enduris for the years ended August 31, 2025, and 2024.

<b>Enduris Pension (Income) Expense - All Plans</b>		
<b>Fiscal Years Ended August 31st – Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
PERS Plan 1 UAAL	\$ (12)	\$ (11)
PERS Plan 2/3	\$ (21)	\$ (18)
Administration Fee <sup>(1)</sup>	\$ -	\$ -
<b>Total</b>	<b>\$ (33)</b>	<b>\$ (29)</b>

**H. Deferred Outflows of Resources and Deferred Inflows of Resources**

On August 31, 2025, and 2024, Enduris reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources and Deferred Inflows of Resources As of August 31st - Dollars in Thousands	PERS Plan 1			
	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	10	-	17
Changes of assumptions	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-
Contributions subsequent to the measurement date	3	-	10	-
<b>Total</b>	<b>\$ 3</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 17</b>

Deferred Outflows of Resources and Deferred Inflows of Resources As of August 31st - Dollars in Thousands	PERS Plan 2/3			
	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 432	\$ -	\$ 292	\$ 1
Net difference between projected and actual investment earnings on pension plan investments	-	133	-	147
Changes of assumptions	229	16	284	33
Changes in proportion and differences between contributions and proportionate share of contributions	24	10	40	16
Contributions subsequent to the measurement date	30	-	25	-
<b>Total</b>	<b>\$ 715</b>	<b>\$ 159</b>	<b>\$ 641</b>	<b>\$ 197</b>

Deferred Outflows of Resources and Deferred Inflows of Resources As of August 31st - Dollars in Thousands	Combined			
	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 432	\$ -	\$ 292	\$ 1
Net difference between projected and actual investment earnings on pension plan investments	-	143	-	164
Changes of assumptions	229	16	284	33
Changes in proportion and differences between contributions and proportionate share of contributions	24	10	40	16
Contributions subsequent to the measurement date	33	-	35	-
<b>Total</b>	<b>\$ 718</b>	<b>\$ 169</b>	<b>\$ 651</b>	<b>\$ 214</b>

Deferred outflows of resources related to pensions resulting from Enduris' contributions after the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending August 31, 2025. These and other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<b>Deferred Outflows and Deferred Inflows</b>						
<b>Pension (Income) Expense Recognition</b>						
<b>As of August 31st - Dollars in Thousands</b>						
<b>Year</b>	<b>2025</b>			<b>2024</b>		
	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>Total</b>	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>Total</b>
2025				(28)	(99)	(127)
2026	9	216	225	14	233	247
2027	(7)	80	73	(2)	96	94
2028	(7)	82	75	(2)	98	96
2029	(5)	33	28	-	49	49
2030	-	78	78	-	41	41
Thereafter	0	37	37			
<b>Totals</b>	<b>\$ (10)</b>	<b>\$ 526</b>	<b>\$ 516</b>	<b>\$ (18)</b>	<b>\$ 418</b>	<b>\$ 400</b>

**I. Required Supplementary Information for Pensions**

Under GASB Statement 68, local governments participating in one or more of the State's plans must present Required Supplementary Information (RSI). This report includes these schedules after the Notes to the Financial Statements. RSI includes a Schedule of Proportionate Share of the Net Pension Liability (Asset) and a Schedule of Employer Contributions.

## Note 11 – Unpaid Claims Liabilities

Enduris establishes claim reserves for reported and unreported insured events, which include estimates of the undiscounted future cash payments of losses and related claim-allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE). The following table presents the changes in Enduris' aggregate claim reserves during each of the years ending August 31, 2025 and 2024:

Claim Reserves		
As of August 31st - Dollars in Thousands		
	2025	2024
<b>Unpaid claim and claim adjustment expenses at beginning of the fiscal year</b>	<b>\$ 16,800</b>	<b>\$ 18,166</b>
<b>Incurred claim and claim adjustment expenses:</b>		
Provision for insured events of the current fiscal year	7,295	8,715
Changes in provision for insured events in prior fiscal years	1,555	(4,748)
Changes in ULAE	250	151
<b>Total incurred claim and claim adjustment expenses</b>	<b>\$ 9,100</b>	<b>\$ 4,118</b>
<b>Payments:</b>		
Claim and claim adjustment expense attributable to insured events in the current fiscal year	(1,747)	(2,235)
Claim and claim adjustment expense attributable to insured events in prior fiscal years	(3,787)	(3,249)
<b>Total Payments</b>	<b>\$ (5,534)</b>	<b>\$ (5,484)</b>
<b>Total unpaid claim and claim adjustment expenses at the end of the fiscal year</b>	<b>\$ 20,366</b>	<b>\$ 16,800</b>
Components of Claim Reserve:		
Claim Reserves	\$ 9,225	\$ 6,735
Claim IBNR	9,691	8,865
ULAE - Administrative Run Off	1,450	1,200
<b>Unpaid claim and claim adjustment expense</b>	<b>\$ 20,366</b>	<b>\$ 16,800</b>

## Note 12 – Benefit Allowance

Enduris has elected to provide employees with a monthly taxable fringe medical benefit allowance as part of their compensation package. The monthly allowance was increased from \$2,000 to \$2,400 on January 1, 2024, in line with the increase in medical insurance premiums. Beginning January 1, 2025, Enduris adopted a Section 125 plan, also known as a cafeteria plan, which allows employees to pay for certain qualified benefits (such as health insurance for themselves and any eligible dependents, life insurance, and mandatory group disability insurance) on a pretax basis. The Plan offers employees a cash-out (additional taxable wages) for any taxable fringe benefit amount left over after the qualified benefit election choices. Prior to January 1, 2024, the deductions were taxable compensation, and any excess was required to be directed to the employee's 457(b) deferred compensation account.

## Note 13 – 401(a) Retirement Plan and 457(b) Deferred Compensation Plan

Enduris does not participate in social security and instead offers a 401(a) Money Purchase Plan for all employees, administered by Mission Square Retirement. The Enduris' Board of Directors established the contribution rates and terms of the plan; however, the Executive Director may modify the Plan. Both Enduris and employees contribute 6.2% of gross wages each pay period, with employees able to contribute additional after-tax amounts. Employees are eligible and fully vested upon employment, and they direct their own investments. Required Pool contributions totaled \$157.0 thousand in fiscal 2025 and \$145.4 thousand in fiscal 2024.

Enduris provides a 457(b) governmental Deferred Compensation Plan that allows employees to set aside a portion of their salary up to the IRS's annual limits. The Pool does not contribute to this plan, which is administered by the Washington State Department of Retirement Systems.

## Note 14 – Compensated Absences

Compensated absences include vacation and sick leave, which employees have earned and are expected to be paid, either through paid time off or as a cash payment at the end of employment with the Pool. Vacation leave and sick leave attributable to services already rendered accumulate to specific maximums and may be used or otherwise paid out as outlined below:

**Vacation Leave:** Enduris employees accrue vacation leave at a variable rate based on years of service. Accrued vacation cannot exceed 240 hours. The expense and accrued liability are recognized when the vacation is earned. Accumulated unused vacation leave is payable in cash upon resignation or the employee’s death. The unused balance at retirement is paid in cash through an employee contribution to their Health Reimbursement Arrangement/Voluntary Employees’ Beneficiary Association Plan (HRA-VEBA Plan).

**Sick Leave:** Employees accrue 8 hours of sick leave per month. For employees hired after September 1, 2018, sick leave may accumulate to a maximum of 750 hours. The maximum sick leave accumulation for employees hired before that date is 1,500 hours. Accrued sick leave can be used for time off. Fifty percent of any accrued balance is paid out in cash in the event of the employee’s death. At retirement, fifty percent of the employee’s unused sick leave is paid in cash through an employee contribution to their HRA-VEBA.

Enduris adopted GASB Statement No.101, *Compensated Absences*, for the fiscal reporting period that ended August 31, 2023. The Pool recognizes a liability for compensated absences if it is more likely than not to be used by the employee or settled as a cash payment in future reporting periods. More likely or not is defined as a likelihood greater than 50 percent. The liability is measured as the unused leave expected to be used or settled times the employee’s pay rate as of the date of the financial statements, plus any salary-related payments directly or incrementally associated with the salary, such as the employer share of payroll taxes (Medicare, etc.) and any retirement benefits (pension, 401a, etc.) in effect at the time that will accrue with the payment.

Compensated absences liability was \$464.3 thousand on August 31, 2025, and \$478.4 thousand in 2024. Estimated amounts payable within one year were \$251.7 thousand for fiscal 2025 and \$148.0 thousand for fiscal 2024.

<b>Compensated Balances</b>		
<b>Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
Current	\$ 251.7	\$ 148.0
Non-current	212.6	330.4
<b>Total</b>	<b>\$ 464.3</b>	<b>\$ 478.4</b>

The following table provides a breakdown of the balance and the change in compensated absences for the fiscal years 2025 and 2024:

<b>Changes in Compensated Absences</b>		
<b>Fiscal Years Ended August 31st - Dollars in Thousands</b>		
	<b>2025</b>	<b>2024</b>
Vacation Leave	\$ 144.7	\$ 157.5
Sick Leave	319.6	320.9
<b>Total</b>	<b>\$ 464.3</b>	<b>\$ 478.4</b>
<b>Change</b>	<b>\$ (14.1)</b>	<b>\$ 70.8</b>

## Note 15 – Changes in Long-Term Liabilities

During the fiscal year ended August 31, 2025, the following changes occurred in long-term liabilities:

Changes in Long-Term Liabilities						
Dollars in Thousands						
	Balance 8/31/2024	Increases	Decreases	Balance 8/31/2025	Due Within One Year	Due Beyond One Year
Compensated Absences	\$ 478.5	-	\$ (14.2)	\$ 464.3	\$ 251.7	\$ 212.6
Subscription Liability	193.0	8.5		201.5	201.5	-
Claim Reserves:						
Incurred But Not Reported (IBNR)	\$ 8,865.9	\$ 825.7	\$ -	\$ 9,691.6	\$ 2,960.5	\$ 6,731.1
Open Claims	6,733.9	2,490.4	-	9,224.3	2,818.0	6,406.3
Unallocated Loss Adjustment Expenses (ULAE)	1,200.0	250.0	-	1,450.0	443.0	1,007.0
Total Claim Reserves	\$ 16,799.8	\$ 3,566.1	\$ -	\$ 20,365.9	\$ 6,221.5	\$ 14,144.4
Pension Liability	211.3	-	\$ (70.6)	140.7	-	140.7
<b>Total</b>	<b>\$ 17,682.6</b>	<b>\$ 3,574.6</b>	<b>\$ (84.8)</b>	<b>\$ 21,172.4</b>	<b>\$ 6,674.7</b>	<b>\$ 14,497.7</b>

During the fiscal year ended August 31, 2024, the following changes occurred in long-term liabilities:

Changes in Long-Term Liabilities						
Dollars in Thousands						
	Balance 8/31/2023	Increases	Decreases	Balance 8/31/2024	Due Within One Year	Due Beyond One Year
Compensated Absences	\$ 407.6	70.9	\$ -	\$ 478.5	\$ 148.1	\$ 330.4
Subscription Liability	580.1	-	(387.1)	193.0	-	193.0
Claim Reserves:						
Incurred But Not Reported (IBNR)	\$ 9,819.4	\$ -	\$ (953.5)	\$ 8,865.9	\$ 2,681.9	\$ 6,184.0
Open Claims	7,296.2	-	(562.3)	6,733.9	2,036.9	4,697.0
Unallocated Loss Adjustment Expenses (ULAE)	1,050.0	150.0	-	1,200.0	363.0	837.0
Total Claim Reserves	\$ 18,165.6	\$ 150.0	\$ (1,515.8)	\$ 16,799.8	\$ 5,081.8	\$ 11,718.0
Pension Liability	279.2	-	\$ (67.9)	211.3	-	211.3
<b>Total</b>	<b>\$ 19,432.5</b>	<b>\$ 220.9</b>	<b>\$ (1,970.8)</b>	<b>\$ 17,682.6</b>	<b>\$ 5,229.9</b>	<b>\$ 12,452.7</b>

## Note 16 – Regulatory Solvency

The Revised Washington Administrative Code (WAC) 200-100 requires Enduris to maintain enough primary and secondary assets to meet solvency standards. Primary assets (cash and equivalents minus non-claim liabilities) must cover the actuary's expected unpaid claims estimate. Combined primary and secondary assets must meet or exceed unpaid claims at the 80% confidence level, as determined by an independent actuary. Secondary assets are defined as insurance receivables, real estate, or other assets (less any non-claim liabilities), the value of which can be independently verified by the state risk manager.

The following table shows the primary and secondary asset test results as of August 31, 2025, and 2024.

<b>Primary and Secondary Asset Test</b>			
<b>As of August 31st - Dollars in Millions</b>			
	<b>2025</b>	<b>2024</b>	
<b>Primary Asset Test (Test 1):</b>			
Primary Assets	\$ 51.8	\$ 40.0	
Unpaid Claims - Expected Level	<u>20.4</u>	<u>16.8</u>	
Margin	\$ 31.4	\$ 23.2	
<b>Test 1 Result</b>	<b>PASS</b>	<b>PASS</b>	
<b>Primary and Secondary Test (Test 2):</b>			
Primary Assets	\$ 51.8	\$ 40.0	
Secondary Assets	19.9	20.0	
Unpaid Claims - 80% Confidence Level	<u>24.4</u>	<u>20.1</u>	
Margin	\$ 47.3	\$ 39.9	
<b>Test 2 Result</b>	<b>PASS</b>	<b>PASS</b>	

## Note 17 – Contingencies and Litigations

Enduris has recorded in its financial statements all material liabilities, including an estimate for liabilities that are not yet resolved but for which, based on available information, management believes it is probable that the Pool will have to make payment. In the opinion of management, the Pool's reserves are adequate to pay all known or pending claims.

**Enduris Washington**  
**Required Supplementary Information**  
**Schedule 1**

**Ten-Year Claim Development Information**  
**For the Fiscal Years Ended August 31, 2025, and 2024**

The table on the following page (Schedule 1) illustrates how the Enduris earned revenues (net of reinsurance) and interest income, compared to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the last ten years. The rows of the table are defined as follows:

1. This section shows the total of each fiscal year's gross contribution revenue and interest income, the amount of that contribution revenue ceded to reinsurers (excess/reinsurance premiums), and the difference, or the net earned contribution revenue and interest income.
2. This line shows each fiscal year's unallocated operating expenses, which include other operating costs of the Pool, such as overhead and claims expenses not allocable to individual claims.
3. This section shows the Pool's gross incurred claims and allocated adjustment expenses, claims assumed by reinsurers (ceded losses), and net incurred claims and allocated adjustment expenses (both paid and accrued) as initially reported at the end of the first year in which the event that triggered coverage under the contract occurred (called the policy year).
4. This section of ten rows shows the cumulative net amounts paid at the end of successive years for each policy year.
5. This line shows the latest re-estimated cost of claims assumed by excess/reinsurance carriers as of the end of the current year for each policy year.
6. This section of ten rows shows how each policy year's net incurred claims increased or decreased at the end of successive years. This annual actuarial re-estimation results from added information received on known claims, reevaluation of existing information on known claims, and emergence of new previously unknown claims.
7. This line compares the latest re-estimated net incurred claims amount to the amount initially established (Section 3, net incurred) and shows whether this latest estimate of net claims cost is greater or less than initially 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 table's columns show data for successive policy years.

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This required supplementary information is an integral part of the accompanying financial statements.

Enduris Washington  
Required Supplementary Information  
Schedule 1(A)  
**Comparative Schedule of Claim Development, Earned Contributions, and Unallocated Expenses**  
As of August 31, 2025  
For the Years Ended August 31, 2016, through August 31, 2025

Fiscal and Policy Year Ended August 31st Dollars in Thousands	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1) Gross Earned Member Contributions & Investment Revenue	\$ 33,827	\$ 30,092	\$ 26,701	\$ 22,432	\$ 19,818	\$ 17,892	\$ 15,609	\$ 13,992	\$ 12,194	\$ 10,764
Ceded	12,453	12,075	9,215	7,531	5,703	4,685	3,981	3,422	3,411	3,025
<b>Net Earned</b>	<b>\$ 21,374</b>	<b>\$ 18,017</b>	<b>\$ 17,486</b>	<b>\$ 14,901</b>	<b>\$ 14,115</b>	<b>\$ 13,207</b>	<b>\$ 11,628</b>	<b>\$ 9,970</b>	<b>\$ 8,783</b>	<b>\$ 7,739</b>
2) <b>Unallocated Operating Expenses</b>	<b>\$ 4,183</b>	<b>\$ 4,130</b>	<b>\$ 3,666</b>	<b>\$ 4,174</b>	<b>\$ 2,837</b>	<b>\$ 3,319</b>	<b>\$ 3,172</b>	<b>\$ 3,597</b>	<b>\$ 3,069</b>	<b>\$ 3,018</b>
3) <b>Estimated Losses and Expenses at end of accident year:</b>										
Incurred	9,595	10,700	10,075	11,900	16,747	7,296	6,985	8,859	8,263	4,763
Ceded	2,300	1,985	1,350	2,750	6,864	847	1,188	1,605	1,201	526
<b>Net Incurred</b>	<b>\$ 7,295</b>	<b>\$ 8,715</b>	<b>\$ 8,725</b>	<b>\$ 9,150</b>	<b>\$ 9,863</b>	<b>\$ 6,449</b>	<b>\$ 5,797</b>	<b>\$ 7,254</b>	<b>\$ 7,062</b>	<b>\$ 4,237</b>
4) <b>Cumulative paid as of:</b>										
End of policy year	1,747	2,234	2,312	3,085	1,886	1,548	1,017	1,723	1,746	1,300
One year later		4,301	3,793	4,173	3,457	2,744	1,827	2,936	2,999	2,341
Two years later			4,028	5,312	4,441	4,032	2,579	3,403	3,371	3,084
Three years later				6,312	4,511	4,897	3,089	3,732	3,585	3,456
Four years later					4,768	4,874	4,937	4,556	3,820	3,924
Five years later						4,982	5,265	4,830	4,858	4,227
Six years later							5,338	4,831	4,909	5,061
Seven years later								4,831	4,909	5,027
Eight years later									4,908	5,026
Nine years later										5,026
5) <b>Re-estimated Ceded Losses and Expenses:</b>	<b>\$ 2,300</b>	<b>\$ 2,577</b>	<b>\$ 765</b>	<b>\$ 5,520</b>	<b>\$ 16,871</b>	<b>\$ 154</b>	<b>\$ 445</b>	<b>\$ 1,052</b>	<b>\$ 763</b>	<b>\$ 2,870</b>
6) <b>Re-estimated Incurred Claims:</b>										
End of policy year	7,295	8,715	8,725	8,750	9,863	6,449	5,797	7,254	7,062	4,237
One year later		9,121	7,045	8,242	7,506	8,142	6,455	6,672	6,185	5,165
Two years later			6,447	8,622	7,595	6,587	6,106	5,897	5,742	5,332
Three years later				9,389	6,002	6,586	6,202	5,668	5,470	5,633
Four years later					6,242	5,333	6,204	5,032	5,035	5,654
Five years later						5,621	5,987	4,953	4,921	5,062
Six years later							6,056	4,907	4,999	5,143
Seven years later								4,895	4,969	5,141
Eight years later									4,956	5,102
Nine years later										5,081
7) <b>Increase (decrease) in Estimated Net Incurred Claims and Expenses from End of Policy Year:</b>	<b>\$ -</b>	<b>\$ 406</b>	<b>\$ (2,278)</b>	<b>\$ 239</b>	<b>\$ (3,621)</b>	<b>\$ (828)</b>	<b>\$ 259</b>	<b>\$ (2,359)</b>	<b>\$ (2,106)</b>	<b>\$ 844</b>

This required supplementary information is an integral part of the accompanying financial statements.

Enduris Washington  
Required Supplementary Information  
Schedule 1(B)  
**Comparative Schedule of Claim Development, Earned Contributions, and Unallocated Expenses**  
As of August 31, 2024

**For the Years Ended August 31, 2015 through August 31, 2024**

Fiscal and Policy Year Ended August 31st Dollars in Thousands	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>1) Gross Earned Member Contributions &amp; Investment Revenue</b>	\$ 30,092	\$ 26,701	\$ 22,432	\$ 19,818	\$ 17,892	\$ 15,609	\$ 13,392	\$ 12,194	\$ 10,764	\$ 9,852
Ceded	12,075	9,215	7,531	5,703	4,685	3,981	3,422	3,411	3,025	2,573
<b>Net Earned</b>	<b>\$ 18,017</b>	<b>\$ 17,486</b>	<b>\$ 14,901</b>	<b>\$ 14,115</b>	<b>\$ 13,207</b>	<b>\$ 11,628</b>	<b>\$ 9,970</b>	<b>\$ 8,783</b>	<b>\$ 7,739</b>	<b>\$ 7,279</b>
<b>2) Unallocated Operating Expenses</b>	<b>\$ 4,130</b>	<b>\$ 3,666</b>	<b>\$ 4,174</b>	<b>\$ 2,837</b>	<b>\$ 3,319</b>	<b>\$ 3,172</b>	<b>\$ 3,597</b>	<b>\$ 3,069</b>	<b>\$ 3,018</b>	<b>\$ 2,834</b>
<b>3) Estimated Losses and Expenses at end of accident year:</b>										
Incurred	10,700	10,075	11,900	16,747	7,296	6,985	8,859	8,263	4,764	5,579
Ceded	1,985	1,350	2,750	6,884	847	1,188	1,605	1,201	526	1,288
<b>Net Incurred</b>	<b>\$ 8,715</b>	<b>\$ 8,725</b>	<b>\$ 9,150</b>	<b>\$ 9,863</b>	<b>\$ 6,449</b>	<b>\$ 5,797</b>	<b>\$ 7,254</b>	<b>\$ 7,062</b>	<b>\$ 4,238</b>	<b>\$ 4,291</b>
<b>4) Cumulative paid as of:</b>										
End of policy year	2,234	2,312	3,085	1,886	1,548	1,017	2,268	1,300	1,475	795
One year later		3,793	4,173	3,457	2,744	1,827	2,936	2,341	3,234	1,475
Two years later			5,312	4,441	4,032	2,579	3,138	3,138	4,499	1,848
Three years later				4,511	4,897	3,089	3,175	3,585	3,711	1,963
Four years later					4,874	4,937	4,566	3,354	3,924	3,892
Five years later						5,265	4,830	4,858	3,578	3,901
Six years later							4,831	4,909	5,061	3,208
Seven years later								4,909	5,027	6,576
Eight years later									5,026	6,623
Nine years later										6,621
<b>5) Re-estimated Ceded Losses and Expenses:</b>	<b>\$ 1,985</b>	<b>\$ 1,175</b>	<b>\$ 4,008</b>	<b>\$ 12,025</b>	<b>\$ 185</b>	<b>\$ 443</b>	<b>\$ 1,052</b>	<b>\$ 763</b>	<b>\$ 3,472</b>	<b>\$ 1,966</b>
<b>6) Re-estimated Incurred Claims:</b>										
End of policy year	8,715	8,725	8,750	9,278	6,449	5,797	7,062	4,238	4,291	2,704
One year later		7,045	8,242	7,506	7,635	6,455	6,672	5,165	5,149	2,585
Two years later			8,622	7,595	6,587	5,544	5,897	5,742	5,488	2,578
Three years later				6,002	6,586	6,202	5,111	5,470	5,633	2,633
Four years later					5,333	6,204	5,032	4,564	5,554	7,024
Five years later						5,587	4,953	4,921	4,413	6,575
Six years later							4,907	4,999	5,143	5,879
Seven years later								4,969	5,141	6,679
Eight years later									5,102	6,679
Nine years later										6,658
<b>7) Increase (decrease) in Estimated Net Incurred Claims and Expenses from End of Policy Year:</b>	<b>\$ -</b>	<b>\$ (1,680)</b>	<b>\$ (528)</b>	<b>\$ (3,861)</b>	<b>\$ (1,116)</b>	<b>\$ (210)</b>	<b>\$ (2,347)</b>	<b>\$ (2,093)</b>	<b>\$ 864</b>	<b>\$ 2,367</b>

This required supplementary information is an integral part of the accompanying financial statements.

**Enduris Washington**  
**Required Supplementary Information**  
**Schedule 2**

**Reconciliation of Claim Liabilities by type of contract**  
**As of August 31, 2025 and 2024**

The schedule below presents the changes in claim liabilities for the past two years for the Enduris liability and property coverage programs:

<b>Claim Reserves</b>						
<b>As of August 31st - Dollars in Thousands</b>						
	<b>Liability Program</b>		<b>Property Program</b>		<b>Total Program</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Unpaid claim and claim adjustment expenses at beginning of the fiscal year</b>	<b>\$ 15,023</b>	<b>\$ 16,222</b>	<b>\$ 1,777</b>	<b>\$ 1,944</b>	<b>\$ 16,800</b>	<b>\$ 18,166</b>
<b>Incurred claim and claim adjustment expenses:</b>						
Provision for insured events of the current fiscal year	5,500	5,500	1,795	3,215	7,295	8,715
Changes in provision for insured events in prior fiscal years	1,109	(4,404)	446	(344)	1,555	(4,748)
Changes in ULAE	233	131	17	20	250	151
<b>Total incurred claim and claim adjustment expenses</b>	<b>\$ 6,842</b>	<b>\$ 1,227</b>	<b>\$ 2,258</b>	<b>\$ 2,891</b>	<b>\$ 9,100</b>	<b>\$ 4,118</b>
<b>Payments:</b>						
Claim and claim adjustment expense attributable to insured events in the current fiscal year	\$ (594)	\$ (293)	\$ (1,153)	\$ (1,942)	\$ (1,747)	\$ (2,235)
Claim and claim adjustment expense attributable to insured events in prior fiscal years	(2,902)	(2,133)	(885)	(1,116)	(3,787)	(3,249)
<b>Total Payments</b>	<b>\$ (3,496)</b>	<b>\$ (2,426)</b>	<b>\$ (2,038)</b>	<b>\$ (3,058)</b>	<b>\$ (5,534)</b>	<b>\$ (5,484)</b>
<b>Total unpaid claim and claim adjustment expenses at the end of the fiscal year</b>	<b>\$ 18,369</b>	<b>\$ 15,023</b>	<b>\$ 1,997</b>	<b>\$ 1,777</b>	<b>\$ 20,366</b>	<b>\$ 16,800</b>
<b>Components of Claim Reserve:</b>						
Claim Reserves	\$ 7,731	\$ 5,283	\$ 1,494	\$ 1,452	\$ 9,225	\$ 6,735
Claim IBNR	9,319	8,654	372	211	9,691	8,865
ULAE - Administrative Run Off	1,319	1,086	131	114	1,450	1,200
<b>Unpaid claim and claim adjustment expense</b>	<b>\$ 18,369</b>	<b>\$ 15,023</b>	<b>\$ 1,997</b>	<b>\$ 1,777</b>	<b>\$ 20,366</b>	<b>\$ 16,800</b>

This required supplementary information is an integral part of the accompanying financial statements.

Enduris Washington  
Required Supplementary Information  
Schedule 3

**Schedule of Proportionate Share of the Net Pension Liability (Asset) - last ten fiscal years**  
**As of the PERS Fiscal Year Ending June 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>PERS Plan 1</b>										
<b>As of June 30</b>										
Employer's proportion of the net pension liability (asset)	0.011934%	0.011891%	0.012229%	0.012167%	0.012210%	0.013111%	0.011490%	0.010038%	0.011284%	0.010931%
Employer's proportionate share of the net pension liability	\$ 140,703	\$ 211,284	\$ 279,155	\$ 338,774	\$ 149,113	\$ 462,889	\$ 441,830	\$ 448,300	\$ 535,435	\$ 587,046
Employer's covered payroll	\$ 2,586,555	\$ 2,411,424	\$ 2,175,271	\$ 2,009,873	\$ 1,872,877	\$ 1,996,171	\$ 1,612,479	\$ 1,339,990	\$ 1,277,215	\$ 1,317,479
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	5.44%	8.76%	12.83%	16.86%	7.96%	23.19%	27.40%	33.46%	41.92%	44.56%
Plan fiduciary net position as a percentage of the total pension liability	89.07%	84.05%	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%
<b>PERS Plan 2/3</b>										
<b>As of June 30</b>										
Employer's proportion of the net pension liability (asset)	0.015500%	0.015562%	0.015727%	0.015912%	0.015659%	0.017160%	0.014829%	0.012818%	0.014514%	0.013987%
Employer's proportionate share of the net pension liability (asset)	\$ (591,522)	\$ (513,672)	\$ (644,600)	\$ (590,141)	\$ (1,559,888)	\$ 219,467	\$ 144,039	\$ 218,856	\$ 504,292	\$ 704,234
Employer's covered payroll	\$ 2,586,555	\$ 2,411,424	\$ 2,175,271	\$ 2,009,873	\$ 1,872,877	\$ 1,996,171	\$ 1,612,479	\$ 1,339,990	\$ 1,277,215	\$ 1,317,479
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-22.87%	-21.30%	-29.63%	-29.36%	-83.29%	10.99%	8.93%	16.33%	39.48%	53.45%
Plan fiduciary net position as a percentage of the total pension liability	105.53%	105.17%	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%

This required supplementary information is an integral part of the accompanying financial statements.

Enduris Washington  
Required Supplementary Information  
Schedule 4

**Schedule of Employer Contributions - last ten fiscal years  
As of the Enduris Fiscal Year Ending August 31, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>PERS Plan 1 *</b> <b>As of August 31</b>										
Statutorily or contractually required contributions (for UAAL portion only)	\$ 58,488	\$ 70,338	\$ 81,490	\$ 75,885	\$ 91,173	\$ 92,001	\$ 83,764	\$ 68,111	\$ 71,941	\$ 65,476
Contributions in relation to the statutorily or contractually required contributions	(58,488)	(70,338)	(81,490)	(75,885)	(91,173)	(92,001)	(83,764)	(68,111)	(71,941)	(65,476)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employer payroll (for UAAL only)	\$ 2,733,737	\$ 2,437,302	\$ 2,216,254	\$ 2,043,534	\$ 1,946,222	\$ 1,938,210	\$ 1,650,511	\$ 1,357,671	\$ 1,272,609	\$ 1,385,369
Contributions as a percentage of covered employee payroll	2.1%	2.9%	3.7%	3.7%	4.7%	4.7%	5.1%	5.0%	5.7%	4.7%
<b>PERS Plan 2/3</b> <b>As of August 31</b>										
Statutorily or contractually required contributions (for UAAL portion only)	\$ 169,486	\$ 155,014	\$ 140,954	\$ 129,894	\$ 149,290	\$ 153,766	\$ 124,961	\$ 100,822	\$ 67,874	\$ 85,364
Contributions in relation to the statutorily or contractually required contributions	(169,486)	(155,014)	(140,954)	(129,894)	(149,290)	(153,766)	(124,961)	(100,822)	(67,874)	(85,364)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employer payroll (for UAAL only)	\$ 2,733,737	\$ 2,437,302	\$ 2,216,254	\$ 2,043,534	\$ 1,946,222	\$ 1,938,210	\$ 1,650,511	\$ 1,357,671	\$ 1,272,609	\$ 1,385,369
Contributions as a percentage of covered employee payroll	6.2%	6.4%	6.4%	6.4%	7.7%	7.9%	7.6%	7.4%	5.3%	6.2%

\* No Enduris employees are covered by PERS Plan 1 however a portion of the PERS Plan 2/3 contribution is allocated by DRS to the PERS Plan 1 UAAL.

This required supplementary information is an integral part of the accompanying financial statements.

**Enduris Washington**  
**Required Supplementary Information**  
**Notes to Schedule 3 and Schedule 4**  
**Pension Required Supplementary Information**

**Methods and Assumptions Used in Calculations of Actuarially Determined Contributions for PERS:**

The Office of the State Actuary (OSA) calculates the actuarially determined contributions (ADC) based on the results of an actuarial valuation consistent with the state's funding policy defined in Chapter 41.45 RCW.

Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. The actuarial valuation with a June 30, 2021 valuation date, completed in the Fall of 2022, plus any supplemental contribution rates from the preceding legislative session(s), determines the ADC for the period beginning July 1, 2023, and ending June 30, 2025.

**Additional Considerations of ADC for All Plans:**

OSA calculates the ADC using the methods described above. However, depending on the actions of the governing bodies, adopted contribution rates could be different.

**CRC for All Cost-Sharing Plans:**

For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC, except the CRC reflects the adopted contribution rates for the period shown, which might differ from the contribution rates produced for the ADC.

Additional plan-specific actuarial methods and assumption information are in Note 10 of the Financial Section.

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This required supplementary information is an integral part of the accompanying financial statements.

**Enduris Washington  
Supplementary and Other Information  
Schedule 5**

**Department Of Enterprise Services (DES) Schedule of Expenses  
For the Fiscal Years Ended August 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Claims Expense:</b>		
<b>Incurred Loss and Allocated Loss Adjustment Expenses:</b>		
Claims Paid, net of recoveries	\$ 5,533,978	\$ 5,483,683
Change in Claim Reserves	3,566,069	(1,365,801)
<b>Claims Expense, net</b>	<b>\$ 9,100,047</b>	<b>\$ 4,117,882</b>
<b>Excess/Reinsurance Costs:</b>		
Liability	\$ 1,652,316	\$ 1,622,601
Property	10,666,581	10,318,900
Brokerage Fees	133,900	133,900
<b>Excess/Reinsurance Costs</b>	<b>\$ 12,452,797</b>	<b>\$ 12,075,401</b>
<b>Contracted Services:</b>		
Legal Services	\$ 11,968	\$ 24,086
Pre-Defense Review	1,223	138,244
Municipal Research and Services	93,457	89,800
Actuarial Services	26,000	25,000
Claims Audit	-	8,652
Financial/Accountability Audit	26,707	25,038
State Risk Manager	11,720	11,720
Technology Services	13,836	4,032
Other Consultants	13,762	-
<b>Contracted Services</b>	<b>\$ 198,673</b>	<b>\$ 326,572</b>
<b>General and Administrative Expenses:</b>		
Staff Wages, Benefits and Taxes	\$ 3,127,908	\$ 2,957,997
GASB 68 Pension Adjustment	(260,871)	(254,248)
Technology and Claims System	122,146	160,923
Member Services and Training	179,103	137,584
Building and Occupancy	207,061	166,132
Dues, Conferences and Training	117,934	83,584
Communications	35,187	31,733
Office Supplies and Expenses	11,502	14,590
Board Expenses	18,728	22,094
Miscellaneous	17,428	17,341
<b>General and Administrative Expense</b>	<b>\$ 3,576,126</b>	<b>\$ 3,337,730</b>
<b>Depreciation</b>	<b>\$ 408,164</b>	<b>\$ 465,933</b>
<b>Total Operating Expenses</b>	<b>\$ 25,735,807</b>	<b>\$ 20,323,518</b>

This required supplementary information is an integral part of the accompanying financial statements.

**List of Participating Members  
For the Fiscal Year ended August 31, 2025**

4 Culture	Blaine-Birch Bay Park & Recreation District #2	Cline Irrigation District
Adams Conservation District	Blalock Orchards Water District #12	Colfax Cemetery District #6
Adams County FPD #1	Blue Mountain Fire District #1	Columbia Basin Conservation District
Adams County FPD #6	Brewster Flat Irrigation District	Columbia Conservation District
Adams County Mosquito Control District	Bridgeport Irrigation District #1	Columbia County Rural Library District
Adams County Noxious Weed Board	Burbank Irrigation District #4	Columbia Irrigation District
Adams County Park & Recreation Board #2	Camano Island Mosquito Control District #1	Columbia Mosquito Control District
Adams County Parks & Recreation District #3	Capital Area Regional Public Facilities District	Community Connectivity Consortium
Adams County Park & Recreation District #4	Carnhope Irrigation District #7	Coulee Area Park & Recreation District
Adams County Weed District #1	Cascade Valley Water District	Cowlitz Conservation District
Admiral's Cove Water District	Cascadia Conservation District	Cowlitz County Cemetery District #2
Aging & Adult Care of Central Washington	Central Kitsap Fire and Rescue	Cowlitz County Mosquito Control District
Aging & Long-Term Care of Eastern Washington	Central Klickitat Conservation District	Cowlitz County Public Facilities District
Agnew Irrigation District	Central Klickitat County Park & Recreation District	Cowlitz Skamania County FPD #7
AG Water Board of Whatcom County	Central Skagit Rural Library District	Crystal Mountain Sewer District
Ahtanum Irrigation District	Chelan County Cemetery District #1	Darrington Fire District #24
Alta Vista Irrigation District	Chelan County Cemetery District #4	Diamond Lake Water & Sewer District
Anderson Island Fire & Rescue	Chelan County FPD #6	Douglas County Cemetery District #2
Anderson Island Park & Recreation District	Chelan County FPD #8	Douglas County FPD #3
Ashford Water District	Chelan County FPD #10	Douglas County FPD #4
Asotin County Conservation District	Chelan Douglas Health District	Douglas Okanogan County FPD #15
Asotin County FPD #1	Chelan Douglas Regional Port Authority POCC, PODC and PMA	Drayton Watershed Improvement District
Asotin County Health District	Chelan Douglas Transportation Council	Dungeness Irrigation District
Asotin County Library	Chelan Falls Irrigation District	East County Park & Recreation District
Badger Mountain Irrigation District	Chelan Falls Water District	East Lewis County Public Development Authority
Bainbridge Island Fire Department	Chelan River Irrigation District	East Wenatchee Water District
Bainbridge Island Metro Park & Recreation District	Chinook Water District	Eastern Klickitat Conservation District
Bayview Beach Water District	City of Kent Special Events Center Public Facilities District	Eastmont Metropolitan Park District
Benton Clean Air Agency	Clallam Conservation District	Eastside/Westside Irrigation District
Benton Conservation District	Clallam County FPD #1	Eastsound Sewer & Water District
Benton County FPD #1	Clallam County FPD #3	Edmonds Public Facilities District
Benton County FPD #2	Clallam County FPD #4	Entiat Irrigation District
Benton County FPD #4	Clallam County FPD #5	Everett Public Facilities District
Benton County FPD #5	Clallam County FPD #6	Fall City Metropolitan Park District
Benton County FPD #6	Clallam County Park & Recreation District #1	Ferry Conservation District
Benton County Mosquito Control District #1	Clark Conservation District	Ferry County #3/Stevens County #8 Joint FPD
Benton County Noxious Weed Control Board	Clark County Cemetery District #4	Ferry County EMS District #1
Benton-Franklin Council of Governments	Clark County Cemetery District #5	Fidalgo Pool & Fitness Center
Benton Franklin Health District	Clark County Cemetery District #6	Fort Worden Public Development Authority
Benton Irrigation District	Clark County Diking District #14	Foster Creek Conservation District
Bertrand Watershed Improvement District	Clark County FPD #3	Four Lakes Water District
Black Diamond Water District	Clark County FPD #13	Franklin Conservation District
	Clark County Mosquito Control District	Franklin County Emergency Management
	Clark County Public Facilities District	Franklin County Irrigation District #1
	Clear Lake Water District	

Enduris Washington  
Supplementary and Other Information-Schedule 6  
List of Participating Members

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Franklin County Mosquito Control	Kittitas County Conservation District	Model Irrigation District #18
Freeland Water District	Kittitas County FPD #7	North Beach Water District
Graham Fire & Rescue	Kittitas County Water District #4	Naches Park & Recreation District
Grant County FPD #7	Kittitas County Water District #6	North City Water District
Grant County FPD #12	Kittitas County Weed District #5	North Country Emergency Medical Service
Grant County Health District	Klickitat County EMS District #1	North Kitsap Fire & Rescue
Grant County Hospital District #7	Klickitat County FPD #1	North Lynden Watershed Improvement District
Grant County Mosquito Control District #1	Klickitat County FPD #3	North Olympic Library System
Grant County Mosquito Control District #2	Klickitat County FPD #13	North Sound Behavioral Health Organization
Grant County Port District #4	Klickitat County Port District	North Yakima Conservation District
Grant County Port District #5	La Conner Regional Library	Northeast Tri County Health District
Grant County Port District #6	Lagoon Point Water District	Northeast Public Development Authority
Grant County Port District #7	Lake Chelan Reclamation District	Northwest Clean Air Agency
Grays Harbor Conservation District	Lake Chelan Sewer District	Oakesdale Park & Recreation District #4
Grays Harbor County FPD #10	Lake Forest Park Water District	Odessa Public Development Authority
Grays Harbor County FPD #12	Lake Wenatchee Fire & Rescue	Okanogan Conservation District
Grays Harbor County Public Facilities District	Laurel Watershed Improvement District	Okanogan County FPD #2
Grays Harbor Historical Seaport Authority	Leavenworth Mosquito Control District	Okanogan County FPD #7
Grays Harbor/Pacific County FPD #15	Ledgewood Beach Water District	Okanogan County FPD #8
Greater Columbia Behavioral Health	Lewis County Cemetery District #1	Okanogan County FPD #10
Greater Wenatchee Regional Events Center PFD	Lewis County Cemetery District #2	Okanogan County FPD #11
Hangman Hills Water District #15	Lewis County Conservation District	Okanogan County FPD #12
Helensdale Irrigation District	Lewis County Flood District #1	Okanogan County Public Health
Highland Irrigation District	Lewis County FPD #2	Okanogan County Rural FPD #6
Highline Water District	Lewis County FPD #8	Okanogan Irrigation District
Hutchinson Irrigation District #16	Lewis County FPD #13	Olympic Region Clean Air Agency
Hydro Irrigation District #9	Lewis County Public Facilities District	Orcas Island Health Care District
Isenhart Irrigation District	Lewis County Water Sewer District #6	Orcas Island Library District
Island County Diking District #1	Lewis-Mason-Thurston Area Agency on Aging	Orcas Island Park & Recreation District
Island County Diking District #2	Liberty Lake Sewer and Water District	Oroville Tonasket Irrigation District
Island County Emergency Services Communications Center	Lincoln-Adams County FPD #3	Pacific Conservation District
Jefferson County Conservation District	Lincoln County Conservation District	Pacific County Drainage District #1
Jefferson County Rural Library District	Lincoln County FPD #6	Pacific County FPD #1
Key Peninsula Metropolitan Park District	Lincoln County Noxious Weed Control Board	Pacific County FPD #2
King Conservation District	Lincoln County Park & Recreation District #2	Pacific County FPD #4
King County Cemetery District #1	Lincoln County Park & Recreation District #3	Pacific County FPD #6
King County Drainage District #1	Loon Lake Sewer District #4	Palouse Conservation District
King County Drainage District #7	Lopez Island Library District	Palouse-Rock Lake Conservation District
King County Flood Control District	Lopez Solid Waste Disposal District	Pend Oreille Cemetery District #1
King County FPD #45	Lower Columbia Fish Recovery Board	Pend Oreille Conservation District
King County Public Hospital District #5	Lower Squilchuck Irrigation District	Pend Oreille County FPD #4
King County Water District #20	Lynnwood Public Facilities District	Pend Oreille County FPD #5
King County Water District #119	Main Street Sewer District	Pend Oreille County Library District
Kiona Irrigation District	Manchester Water District	Peninsula Metropolitan Park District
Kitsap Conservation District	Manson Park & Recreation District	Penn Cove Water & Sewer District
Kitsap Public Facilities District	Marshland Flood Control District	Petrichor Broadband, LLC
Kitsap Public Health District	Mason Conservation District	Pierce Conservation District
Kitsap Readiness Center Joint Management Group	Mason County FPD #6	Pierce County Drainage District #10
Kittcom	Mason County FPD #17	Pierce County FPD #18
	McKenna Water District	Pierce County FPD #23
	Methow-Okanogan Reclamation District	Pine Creek Conservation District
	Midway Sewer District	

This required supplementary information is an integral part of the accompanying financial statements.

Enduris Washington  
Supplementary and Other Information-Schedule 6  
List of Participating Members

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Pomeroy Conservation District	Quillayute Valley Park & Recreation District	South Douglas Conservation District
Port District of South Whidbey Island	Renton Regional Fire Authority	South King Fire & Rescue
Port Ludlow Drainage District	Rosalia Park & Recreation District #5	South Kitsap Fire and Rescue
Port of Allyn	Sacheen Lake Sewer & Water District	South Lynden Watershed Improvement District
Port of Benton	Salish Behavioral Health Organization	South Pierce Fire & Rescue District #17
Port of Brownsville	Samish Water District	South Whidbey Fire/EMS
Port of Camas-Washougal	San Juan County Cemetery District #1	South Whidbey Park & Recreation District
Port of Centralia	San Juan County Cemetery District #3	South Yakima Conservation District
Port of Chehalis	San Juan County FPD #4	Southeast WA ALTC Council of Governments
Port of Chinook	San Juan Island Park & Recreation District	Southwest Clean Air Agency
Port of Clarkston	San Juan Islands Conservation District	Southwest Suburban Sewer District
Port of Columbia	Scatchet Head Water District	Spokane Aquifer Joint Board
Port of Coupeville	Seaview Sewer District	Spokane Conservation District
Port of Dewatto	Selah and Moxee Irrigation District	Spokane County FPD #2
Port of Edmonds	Silver Lake Flood Control District	Spokane County FPD #3
Port of Eglon	Silverdale Water District #16	Spokane County FPD #5
Port of Friday Harbor	Skagit Conservation District	Spokane County FPD #10
Port of Garfield	Skagit County Cemetery District #1	Spokane County FPD #13
Port of Grandview	Skagit County Consolidated Diking District #22	Spokane County Noxious Weed Control Board
Port of Grapeview	Skagit County Dike & Drainage District #5	Spokane County Water District #3
Port of Grays Harbor	Skagit County Dike District #17	Spokane Public Facilities District
Port of Hoodspart	Skagit County Drainage & Irrigation District #17	Spokane Regional Broadband Public Development Authority
Port of Illahee	Skagit County Drainage & Irrigation District #15	Spokane Regional Clean Air Agency
Port of Ilwaco	Skagit County Drainage District #19	Spokane Regional Health District
Port of Indianola	Skagit County Drainage and Irrigation District Consortium, LLC	Spokane Regional Transportation Council
Port of Kahlotus	Skagit County FPD #4	Spokane Valley Fire Department
Port of Keyport	Skagit County FPD #5	Stevens County Conservation District
Port of Kingston	Skagit County FPD #12	Stevens County FPD #1
Port of Lopez	Skagit County FPD #15	Stevens County FPD #2
Port of Manchester	Skagit County FPD #16	Stevens County FPD #5
Port of Olympia	Skagit County FPD #17	Stevens County FPD #10
Port of Orcas	Skagit County Regional Public Facilities District	Stevens County FPD #11
Port of Pasco	SkagitNet, LLC	Stevens County FPD #12
Port of Pend Oreille	Skamania County Cemetery District #1	Stevens County FPD #13
Port of Peninsula	Skamania County FPD #5	Stevens County Rural Library District
Port of Port Townsend	Skamania County FPD #6	Strathview Water District #16
Port of Poulsbo	Skamania County Mosquito Control District	Sumas Watershed Improvement District
Port of Ridgefield	Snohomish Conservation District	Stevens Pass Sewer District
Port of Royal Slope	Snohomish County Diking District #1	Stillaguamish Flood Control District
Port of Shelton	Snohomish County Drainage & Improvement District #13	SW WA Council of Governments on Aging
Port of Silverdale	Snohomish County FPD #25	Swantown Water District
Port of Skagit	Snohomish County Public Facilities District	Tekoa Park & Recreation District #6
Port of Skamania County	Snoqualmie Valley Watershed Improvement District	Terrace Heights Irrigation District
Port of Tracyton	Soos Creek Water & Sewer District	Thurston Conservation District
Port of Walla Walla	South Bay Fire Department	Thurston County Cemetery District #2
Port of Waterman		Thurston County Chambers Ditch District #3
Port of Whitman County		Tonasket Park & Recreation District
Port of Willapa Harbor		Touchet-Lowden Mosquito Control District
Port of Woodland		
Poulsbo Fire Department		
Public Hospital District #2 Snohomish County		
Public Law Library of King County		
Public Utility District #1 of Skagit County		
Puget Sound Clean Air Agency		
Puget Sound Emergency Radio Network (PSERN) Operator		

This required supplementary information is an integral part of the accompanying financial statements.

Enduris Washington  
 Supplementary and Other Information-Schedule 6  
 List of Participating Members

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Tri-City Estates Water District #45	Wenas Irrigation District	Whitman County FPD #8
Underwood Conservation District	Wenatchee-Chiwawa Irrigation District	Whitman County FPD #10
Underwood Park & Recreation District	Wenatchee Heights Reclamation District	Whitman County FPD #12
Union Gap Irrigation District	Wenatchee Reclamation District	Whitman County FPD #13
Upper Columbia Irrigation District	West Benton Fire Rescue	Whitman County FPD #14
Upper Skagit Library District	West Klickitat Regional Fire Authority	Whitman County Rural Library District
Upper Valley Park & Recreation Service Area	West Plains/Airport Area Public Development Authority	Willapa Valley Water District
Vashon-Maury Island Park & Recreation District	Whatcom Council of Governments	Wolf Creek Reclamation District
Vel View Water District #13	Whatcom Conservation District	Yakima County Drainage Improvement District #11
Vera Water and Power	Whatcom County Flood Control Zone District	Yakima County Drainage Improvement District #12
Village Green Metropolitan Park District	Whatcom County Cemetery District #6	Yakima County Drainage Improvement District #28
WA Fire Commissioners Association	Whatcom County Cemetery District #10	Yakima County FPD #7
Wahkiakum County Conservation District	Whatcom County FPD #11	Yakima County FPD #9
Wahkiakum County Diking/Drainage District #1	Whatcom County FPD #17	Yakima County FPD #14
Wahkiakum County FPD #2	Whatcom County Water District #13	Yakima County Mosquito Control District #1
Wahkiakum County Port District #1	Whidbey Island Conservation District	Yakima Health District
Wahkiakum County Port District #2	White Salmon Valley Pool Metropolitan Park District	Yakima Regional Clean Air Agency
Walla Walla County Conservation	Whitestone Reclamation District	Yakima Reservation Irrigation District
Walla Walla County FPD #5	Whitman Conservation District	Zillah Irrigation District
Walla Walla County Rural Library District	Whitman County Cemetery District #2	
Warden Port District #8	Whitman County FPD #5	
Weed District #1 of Grant County	Whitman County FPD #6	
Weed District #3 of Grant County	Whitman County FPD #7	
Wells Ranch Irrigation District		

## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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