

**Washington State Auditor's Office**  
**Financial Statements and Federal Single Audit Report**

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**Pacific County**

Audit Period  
**January 1, 2010 through December 31, 2010**

**Report No. 1006486**

Issue Date  
**September 30, 2011**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

September 30, 2011

Board of Commissioners  
Pacific County  
South Bend, Washington

***Report on Financial Statements and Federal Single Audit***

Please find attached our report on Pacific County's financial statements and compliance with federal laws and regulations.

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

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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# Federal Summary

## Pacific County January 1, 2010 through December 31, 2010

The results of our audit of Pacific County are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

### **FINANCIAL STATEMENTS**

An unqualified opinion was issued on the financial statements.

#### **Internal Control Over Financial Reporting:**

- **Significant Deficiencies:** We identified no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- **Material Weaknesses:** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the County.

### **FEDERAL AWARDS**

#### **Internal Control Over Major Programs:**

- **Significant Deficiencies:** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- **Material Weaknesses:** We identified deficiencies that we consider to be material weaknesses.

We issued an unqualified opinion on the County's compliance with requirements applicable to each of its major federal programs.

We reported findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

**Identification of Major Programs:**

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program (Recovery Act)
93.276	Drug-Free Communities Support Program Grants
14.228	Community Development Block Grants - State's Program
93.778	Medical Assistance Program (Medicaid)

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

The County did not qualify as a low-risk auditee under OMB Circular A-133.

# **Schedule of Federal Audit Findings and Questioned Costs**

**Pacific County  
January 1, 2010 through December 31, 2010**

**1. Pacific County's internal controls over its Drug-Free Communities Support Program are inadequate to ensure compliance with federal regulations.**

<b>CFDA Number and Title:</b>	93.279 Drug-Free Communities Support Program Grants
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Pass-through Entity Name:</b>	NA
<b>Pass-through Award Number:</b>	NA
<b>Questioned Cost Amount:</b>	\$0

### **Description of Condition**

The County received \$102,457 in federal funds for its Drug-Free Communities Support Program in fiscal year 2010. Our audit noted internal control weaknesses and non-compliance with federal requirements.

### **Procurement**

Federal regulations require grantees to obtain an adequate number of quotes from vendors for purchases of less than \$100,000. If the product or service is available only from a single source, the grantee must document how it determined this. The County spent \$70,626 for professional services from a single vendor over the course of the year without following this procurement process.

### **Suspension and Debarment**

Federal requirements prohibit grant recipients from doing business with vendors who have been suspended or debarred. The County is required to verify that all vendors receiving \$25,000 or more in federal funds have not been suspended or debarred. We noted the County did not verify a vendor paid \$70,626 was not suspended or debarred before entering into a contract that exceeded \$25,000.

### **Cause of Condition**

The County did not realize that personal service contracts were subject to federal procurement requirements. Further, County staff responsible for overseeing this program was not fully aware of federal suspension and debarment requirements.

## Effect of Condition

- Without competition, potential contractors were not afforded an opportunity to compete for the contract which can affect quality and price.
- The County is at risk of entering into contracts with vendors that have been suspended or debarred from participating in federal contracts. We determined the vendor was not suspended or debarred and will not question the costs.
- The County could lose federal funding to support its Drug-Free Communities Support Program.

## Recommendation

We recommend the County establish and follow internal controls over its Drug-Free Communities Support program to ensure:

- Quotes are obtained from an adequate number of vendors for purchases less than \$100,000 or documentation is maintained in the event that competition is inadequate.
- It checks vendors' suspension and debarment status prior to entering into a contract.

## County's Response

*The County has established a process for additional internal control and monitoring of all contracts and agreements, including the Drug Free Communities Grant. On May 23, 2010 the Board of Pacific County Commissioners adopted Resolution No. 2010-013, establishing a Pacific County Contract and Agreement Review Procedure. This resolution mandates that all contracts and agreements that involve receipt and/or expenditure of funds, liability or risk transfer, and/or disposition of County assets be reviewed to ensure federal and state requirements relating to bidding and public funds are met. This resolution also specifically applies to all intergovernmental contracts and grants and requires that an assessment of debarment be completed and documented prior to entering into any agreement or contract.*

*This resolution has been circulated to all elected officials and department heads in the County. In addition, the County has developed standard verbiage to include in contracts and agreements that states "The Contractor hereby declares that it is not suspended or debarred from securing federal and/or state funds and shall remain so during the term of this Agreement/Contract. Suspension and/or debarment of the Contractor from securing federal or state funds shall be cause for immediate termination of this Agreement/Contract by the County."*

*In addition, as we enter a new contract year for the DFC programs, the contract in question will be released for RFA/RFP in September 2011 to ensure complete compliance moving forward. One may also note that the county did check for disbarment before the vendor was paid thus complying to information related to the county by a State Auditor Office employee that this is sometimes allowed.*

## Auditor's Remarks

Federal requirements state that suspension and debarment must be checked before entering into contracts. We reaffirm our finding.

We appreciate the steps the County is taking to resolve this issue. We will review the condition during our next audit.

## Applicable laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states in part:

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 45, Code of Federal Regulations, section 92.36 – Procurement, states in part:

(b) Procurement standards. (1) Grantees and sub-grantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section . . .

(9) Grantees and sub-grantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price . . .

(c) Competition

(1) All procurement transactions will be conducted in a manner providing full and open competition . . .

(3) Grantees will have written selection procedures for procurement transactions . . .

(d) Methods of procurement to be followed.

(1) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do

not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

Title 2, Code of Federal Regulations, Section 180.220 – Are any procurement contracts included as covered transactions?

(b) Specifically, a contract for goods or services is a covered transaction if any of the following applies:

(1) The contract is awarded by a participant in a nonprocurement transaction that is covered under Sec. 180.210 and the amount of the contract is expected to equal or exceed \$25,000.

Title 2, Code of Federal Regulations, Section 180.300 – What must I do before I enter into a covered transaction with another person at the next lower tier?

When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the EPLS; or
- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person.

# **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards***

**Pacific County  
January 1, 2010 through December 31, 2010**

Board of Commissioners  
Pacific County  
South Bend, Washington

We have audited the financial statements of Pacific County, Washington, as of and for the year ended December 31, 2010, and have issued our report thereon dated August 30, 2011.

We conducted our audit 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.

## ***INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we noted certain matters that we have reported to the management of the County in a separate letter dated September 22, 2011.

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

This report is intended for the information and use of management, the Board of Commissioners, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

August 30, 2011

**Independent Auditor's Report on Compliance  
with Requirements That Could Have a Direct  
and Material Effect on Each Major Program and  
on Internal Control over Compliance in  
Accordance with OMB Circular A-133**

**Pacific County  
January 1, 2010 through December 31, 2010**

Board of Commissioners  
Pacific County  
South Bend, Washington

**COMPLIANCE**

We have audited the compliance of Pacific County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The County's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Federal Audit Findings and Questioned Costs as Finding 1.

## **INTERNAL CONTROL OVER COMPLIANCE**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Federal Audit Findings and Questioned Costs as Finding 1 to be a material weakness.

This report is intended for the information of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

August 30, 2011

# **Independent Auditor's Report on Financial Statements**

**Pacific County  
January 1, 2010 through December 31, 2010**

Board of Commissioners  
Pacific County  
South Bend, Washington

We have audited the accompanying financial statements of Pacific County, Washington, for the year ended December 31, 2010. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the County prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System (BARS)* manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Pacific County, for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the County'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular

A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Long-Term Debt is also presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and the last name "Sonntag" clearly distinguishable.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

August 30, 2011

# **Financial Section**

**Pacific County**  
**January 1, 2010 through December 31, 2010**

## ***FINANCIAL STATEMENTS***

Fund Resources and Uses Arising from Cash Transactions – 2010  
Notes to Financial Statements – 2010

## ***SUPPLEMENTAL INFORMATION***

Schedule of Long-Term Debt – 2010  
Schedule of Expenditures of Federal Awards – 2010  
Notes to the Schedule of Expenditures of Federal Awards – 2010

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	Total For All Funds Total Amount	001 Current Expense Actual Amount	101 Fair Actual Amount
Beginning Cash & Investments	-		-
308 Reserved	1,425,071	31,000	-
309 Unreserved	16,845,360	2,152,819	120,262
389 Prior Period Adjustment	76,737		
 Revenues and Other Sources			
310 Taxes	8,876,341	5,223,600	
320 Licenses & Permits	348,665	11,797	
330 Intergovernmental	7,698,249	1,838,843	30,943
340 Charges for Goods and Services	2,953,465	567,990	38,424
350 Fines and Penalties	496,856	459,805	-
360 Miscellaneous	1,906,390	145,824	38,666
370 Capital Contributions	-		-
390 Other Financing Sources	1,304,727	137,324	
Total Revenues & other Sources	23,584,693	8,385,183	108,033
Total Resources	41,931,861	10,569,002	228,295
 Operating Expenditures			
510 General Government	8,263,482	4,434,082	
520 Public Safety	5,438,862	2,996,272	
530 Physical Environment	820,345	17,499	
540 Transportation	4,034,683		
550 Economic Environment	302,738	8,500	
560 Mental & Physical Health	1,861,753	-	
570 Culture & Recreational	201,495	92,817	107,855
Total Operating Expenditures	20,923,358	7,549,170	107,855
591-593 Debt Service	395,037		1,786
594-595 Capital Outlay	1,675,113	34,769	53,998
Total Expenditures	22,993,508	7,583,939	163,639
597-599 Other Financing Uses	1,986,030	977,530	
Total Expenditures & Other Financing Uses	24,979,538	8,561,469	163,639
Excess (Deficit) Of Resources Over Uses	16,952,323	2,007,533	64,656
380 Nonrevenue (Except 384)	1,262,346	41,845	
385 Collection of Receivables	-	-	
580 Nonexpenditures (Except 584)	-		
585 Disbursement of Accrued Expenditures	-		
Ending Cash & Investments:			
508.1 Reserved	4,099,598	31,000	30,943
508.8 Unreserved	14,115,173	2,018,378	33,713

*\*Beginning Cash & Investments differ due to impress funds added*

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	102 PC Emergency Admin Actual Amount	103 Law Library Actual Amount	104 Roads Actual Amount
Beginning Cash & Investments		-	-
308 Reserved	-	10,911	1,353,896
309 Unreserved	15,823	-	1,387,713
389 Prior Period Adjustment			
 Revenues and Other Sources			
310 Taxes		8,244	2,810,625
320 Licenses & Permits			
330 Intergovernmental	77,121		1,946,099
340 Charges for Goods and Services		-	23,094
350 Fines and Penalties			
360 Miscellaneous	1,540		102,234
370 Capital Contributions			
390 Other Financing Sources	77,989		156,684
Total Revenues & other Sources	156,650	8,244	5,038,736
Total Resources	172,473	19,155	7,780,345
 Operating Expenditures			
510 General Government		9,000	14,357
520 Public Safety	136,113		296,508
530 Physical Environment			
540 Transportation			3,147,976
550 Economic Environment			
560 Mental & Physical Health			
570 Culture & Recreational			
Total Operating Expenditures	136,113	9,000	3,458,841
591-593 Debt Service	-		
594-595 Capital Outlay	9,653		909,406
Total Expenditures	145,766	9,000	4,368,247
597-599 Other Financing Uses	-		193,135
Total Expenditures & Other Financing Uses	145,766	9,000	4,561,382
Excess (Deficit) Of Resources Over Uses	26,707	10,155	3,218,963
380 Nonrevenue (Except 384)			1,286
385 Collection of Receivables			
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures			
Ending Cash & Investments:			
508.1 Reserved	-	10,155	1,353,846
508.8 Unreserved	26,707	-	1,866,404

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	105 Veterans Fund Actual Amount	106 Tourism Development Actual Amount	108 Flood Control Actual Amount
Beginning Cash & Investments			-
308 Reserved		-	
309 Unreserved	17,576	471,623	289,977
389 Prior Period Adjustment			
Revenues and Other Sources			
310 Taxes	20,143	281,969	
320 Licenses & Permits	443		
330 Intergovernmental			
340 Charges for Goods and Services			342,961
350 Fines and Penalties			
360 Miscellaneous	2	4,613	670
370 Capital Contributions			
390 Other Financing Sources	765		
Total Revenues & other Sources	21,353	286,582	343,631
Total Resources	38,929	758,205	633,608
Operating Expenditures			
510 General Government			
520 Public Safety			
530 Physical Environment			172,738
540 Transportation			
550 Economic Environment	12,099	275,669	
560 Mental & Physical Health			
570 Culture & Recreational			
Total Operating Expenditures	12,099	275,669	172,738
591-593 Debt Service			34,310
594-595 Capital Outlay			
Total Expenditures	12,099	275,669	207,048
597-599 Other Financing Uses			
Total Expenditures & Other Financing Uses	12,099	275,669	207,048
Excess (Deficit) Of Resources Over Uses	26,830	482,536	426,560
380 Nonrevenue (Except 384)			
385 Collection of Receivables		-	
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures			
Ending Cash & Investments:			
508.1 Reserved	26,829	482,536	
508.8 Unreserved	-	-	426,560

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	109 Vegetation Management Actual Amount	110 Treasurer's O&M Actual Amount	111 Auditor's O&M Actual Amount
Beginning Cash & Investments			
308 Reserved		-	
309 Unreserved	55,816	159,348	183,195
389 Prior Period Adjustment			
Revenues and Other Sources			
310 Taxes			
320 Licenses & Permits			
330 Intergovernmental	348,728	40	49,018
340 Charges for Goods and Services	11,009	33,880	17,492
350 Fines and Penalties			
360 Miscellaneous			
370 Capital Contributions			
390 Other Financing Sources			
Total Revenues & other Sources	359,737	33,920	66,510
Total Resources	415,553	193,268	249,705
Operating Expenditures			
510 General Government		48,799	79,846
520 Public Safety			
530 Physical Environment	337,162		
540 Transportation			
550 Economic Environment			
560 Mental & Physical Health			
570 Culture & Recreational			
Total Operating Expenditures	337,162	48,799	79,846
591-593 Debt Service			
594-595 Capital Outlay			5,176
Total Expenditures	337,162	48,799	85,022
597-599 Other Financing Uses			
Total Expenditures & Other Financing Uses	337,162	48,799	85,022
Excess (Deficit) Of Resources Over Uses	78,391	144,469	164,683
380 Nonrevenue (Except 384)			
385 Collection of Receivables			
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures			
Ending Cash & Investments:			
508.1 Reserved		144,469	164,683
508.8 Unreserved	78,391	-	-

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	112 Treasurer Reet Technology Actual Amount	116 Dept of Community Dev Actual Amount	117 Elections Actual Amount
Beginning Cash & Investments			
308 Reserved		1,000	15,000
309 Unreserved	114,749	1,587,642	71,773
389 Prior Period Adjustment			
Revenues and Other Sources			
310 Taxes			
320 Licenses & Permits		336,425	
330 Intergovernmental	12,511	353,133	74,054
340 Charges for Goods and Services		257,203	42,232
350 Fines and Penalties		5,159	-
360 Miscellaneous		36	1,136
370 Capital Contributions			
390 Other Financing Sources		3,175	125,000
Total Revenues & other Sources	12,511	955,131	242,422
Total Resources	127,260	2,543,773	329,195
Operating Expenditures			
510 General Government		856,460	184,724
520 Public Safety			
530 Physical Environment		217,590	
540 Transportation			
550 Economic Environment		4,012	
560 Mental & Physical Health		151,574	
570 Culture & Recreational			
Total Operating Expenditures		1,229,636	184,724
591-593 Debt Service			
594-595 Capital Outlay			34,367
Total Expenditures		1,229,636	219,091
597-599 Other Financing Uses			
Total Expenditures & Other Financing Uses	-	1,229,636	219,091
Excess (Deficit) Of Resources Over Uses	127,260	1,314,137	110,104
380 Nonrevenue (Except 384)			
385 Collection of Receivables			
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures		-	-
Ending Cash & Investments:			
508.1 Reserved	127,260	1,000	110,106
508.8 Unreserved	-	1,313,137	-

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	118 Health & Human Services Actual Amount	121 Extension Ed Programs Actual Amount	125 Capital Improvements Actual Amount
Beginning Cash & Investments			
308 Reserved	13,214	-	
309 Unreserved	43,212	1,186	897,878
389 Prior Period Adjustment			
Revenues and Other Sources			
310 Taxes	63,947		124,914
320 Licenses & Permits			
330 Intergovernmental	1,478,499		344,711
340 Charges for Goods and Services	58,156	437	
350 Fines and Penalties	-		
360 Miscellaneous	6,464		1,637
370 Capital Contributions			
390 Other Financing Sources	81,980		
Total Revenues & other Sources	1,689,046	437	471,262
Total Resources	1,745,472	1,623	1,369,140
Operating Expenditures			
510 General Government			158,316
520 Public Safety			-
530 Physical Environment			-
540 Transportation			
550 Economic Environment	148		1,510
560 Mental & Physical Health	1,667,154		
570 Culture & Recreational		823	
Total Operating Expenditures	1,667,302	823	159,826
591-593 Debt Service	1,214		
594-595 Capital Outlay			36,029
Total Expenditures	1,668,516	823	195,855
597-599 Other Financing Uses			340,559
Total Expenditures & Other Financing Uses	1,668,516	823	536,414
Excess (Deficit) Of Resources Over Uses	76,956	800	832,726
380 Nonrevenue (Except 384)			
385 Collection of Receivables	-		
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures			-
Ending Cash & Investments:			
508.1 Reserved	13,214		832,726
508.8 Unreserved	63,742	800	-

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	126 Local Option Tax Spec Rev Actual Amount	127 PC Low Income Assistance Actual Amount	128 PC Shellfish Program Actual Amount
Beginning Cash & Investments			
308 Reserved		-	
309 Unreserved	470,099	287,610	90,142
389 Prior Period Adjustment			
Revenues and Other Sources			
310 Taxes	202,113		
320 Licenses & Permits			
330 Intergovernmental	-		9,858
340 Charges for Goods and Services	-	149,473	
350 Fines and Penalties	-		
360 Miscellaneous	-	-	
370 Capital Contributions			
390 Other Financing Sources	-		
Total Revenues & other Sources	202,113	149,473	9,858
Total Resources	672,212	437,083	100,000
Operating Expenditures			
510 General Government			
520 Public Safety			
530 Physical Environment			
540 Transportation			
550 Economic Environment		800	
560 Mental & Physical Health			43,025
570 Culture & Recreational			
Total Operating Expenditures		800	43,025
591-593 Debt Service			
594-595 Capital Outlay			
Total Expenditures		800	43,025
597-599 Other Financing Uses	291,418	167,440	
Total Expenditures & Other Financing Uses	291,418	168,240	43,025
Excess (Deficit) Of Resources Over Uses	380,794	268,843	56,975
380 Nonrevenue (Except 384)			
385 Collection of Receivables			
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	380,794	268,843	56,975
508.8 Unreserved	-	-	-

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	132 Special Investigation Actual Amount	136 Juvenile Court Actual Amount	138 Court Special Actual Amount
Beginning Cash & Investments			
308 Reserved		-	
309 Unreserved	26,526	21,267	31,887
389 Prior Period Adjustment	76,737		
Revenues and Other Sources			
310 Taxes	-		-
320 Licenses & Permits			
330 Intergovernmental	53,062	162,071	1,625
340 Charges for Goods and Services	-	-	9,175
350 Fines and Penalties	31,892		-
360 Miscellaneous	3,050		-
370 Capital Contributions			
390 Other Financing Sources	101,321	274,395	
Total Revenues & other Sources	189,325	436,466	10,800
Total Resources	292,588	457,733	42,687
Operating Expenditures			
510 General Government			4,445
520 Public Safety	276,584	448,814	15,152
530 Physical Environment			
540 Transportation			
550 Economic Environment			
560 Mental & Physical Health			
570 Culture & Recreational			
Total Operating Expenditures	276,584	448,814	19,597
591-593 Debt Service			
594-595 Capital Outlay			
Total Expenditures	276,584	448,814	19,597
597-599 Other Financing Uses			
Total Expenditures & Other Financing Uses	276,584	448,814	19,597
Excess (Deficit) Of Resources Over Uses	16,004	8,919	23,090
380 Nonrevenue (Except 384)			
385 Collection of Receivables	-	-	
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures			
Ending Cash & Investments:			
508.1 Reserved		8,919	
508.8 Unreserved	16,004	-	23,090

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	160 PACCOM Actual Amount	191 Becca Reserve Actual Amount	197 Cumulative Reserve Actual Amount
Beginning Cash & Investments			
308 Reserved		-	
309 Unreserved	154,474	41,652	1,401,303
389 Prior Period Adjustment			
Revenues and Other Sources			
310 Taxes	140,786		
320 Licenses & Permits			
330 Intergovernmental	745,593	61,338	93,240
340 Charges for Goods and Services	-	-	
350 Fines and Penalties	-		-
360 Miscellaneous	677		47,198
370 Capital Contributions	-		
390 Other Financing Sources	336,000		-
Total Revenues & other Sources	1,223,056	61,338	140,438
Total Resources	1,377,530	102,990	1,541,741
Operating Expenditures			
510 General Government		31,892	79,134
520 Public Safety	1,098,980		4,804
530 Physical Environment			
540 Transportation			
550 Economic Environment			
560 Mental & Physical Health			
570 Culture & Recreational			-
Total Operating Expenditures	1,098,980	31,892	83,938
591-593 Debt Service			
594-595 Capital Outlay	225,794		177,343
Total Expenditures	1,324,774	31,892	261,281
597-599 Other Financing Uses		15,948	
Total Expenditures & Other Financing Uses	1,324,774	47,840	261,281
Excess (Deficit) Of Resources Over Uses	52,756	55,150	1,280,460
380 Nonrevenue (Except 384)			
385 Collection of Receivables	-		-
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures			
Ending Cash & Investments:			
508.1 Reserved		55,150	
508.8 Unreserved	52,756	-	1,280,460

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	208 Limited Tax GO Bond Actual Amount	306 Limited Tax GO Proceeds Actual Amount*	403 Eklund Park Actual Amount
Beginning Cash & Investments			
308 Reserved		-	
309 Unreserved	167	2,974	12,187
389 Prior Period Adjustment			
Revenues and Other Sources			
310 Taxes	-		-
320 Licenses & Permits			
330 Intergovernmental	-	-	17,762
340 Charges for Goods and Services	-	-	
350 Fines and Penalties	-		-
360 Miscellaneous	340,568	-	26
370 Capital Contributions	-		
390 Other Financing Sources	-		-
Total Revenues & other Sources	340,568	-	17,788
Total Resources	340,735	2,974	29,975
Operating Expenditures			
510 General Government			
520 Public Safety			
530 Physical Environment			468
540 Transportation			
550 Economic Environment			
560 Mental & Physical Health			
570 Culture & Recreational			
Total Operating Expenditures		-	468
591-593 Debt Service	340,559		17,168
594-595 Capital Outlay		10	
Total Expenditures	340,559	10	17,636
597-599 Other Financing Uses		-	
Total Expenditures & Other Financing Uses	340,559	10	17,636
Excess (Deficit) Of Resources Over Uses	176	2,964	12,339
380 Nonrevenue (Except 384)			
385 Collection of Receivables			
580 Nonexpenditures (Except 584)			-
585 Disbursement of Accrued Expenditures		-	
Ending Cash & Investments:			
508.1 Reserved			
508.8 Unreserved	176	2,964	12,339

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

Stmt C4

Bars Code	502 Equipment Rental & Revolving Actual Amount	522 Payroll ISF Actual Amount	531 Risk Management Actual Amount
Beginning Cash & Investments			
308 Reserved	50	-	
309 Unreserved	4,549,057	1,739,236	446,187
389 Prior Period Adjustment			
Revenues and Other Sources			
310 Taxes	-		-
320 Licenses & Permits			
330 Intergovernmental	-	-	-
340 Charges for Goods and Services	449,985	412,015	539,939
350 Fines and Penalties	-		-
360 Miscellaneous	1,203,898	6,442	1,709
370 Capital Contributions	-		
390 Other Financing Sources	10,094		-
Total Revenues & other Sources	1,663,977	418,457	541,648
Total Resources	6,213,084	2,157,693	987,835
Operating Expenditures			
510 General Government	214,097	1,602,674	545,656
520 Public Safety	165,635		
530 Physical Environment	74,888		
540 Transportation	886,707		
550 Economic Environment			
560 Mental & Physical Health			
570 Culture & Recreational			
Total Operating Expenditures	1,341,327	1,602,674	545,656
591-593 Debt Service			
594-595 Capital Outlay	188,568	-	-
Total Expenditures	1,529,895	1,602,674	545,656
597-599 Other Financing Uses			
Total Expenditures & Other Financing Uses	1,529,895	1,602,674	545,656
Excess (Deficit) Of Resources Over Uses	4,683,189	555,019	442,179
380 Nonrevenue (Except 384)		1,219,215	
385 Collection of Receivables			
580 Nonexpenditures (Except 584)			
585 Disbursement of Accrued Expenditures	-		
Ending Cash & Investments:			
508.1 Reserved	150		
508.8 Unreserved	4,683,139	1,774,234	442,179

*totals may be slightly different due to rounding*

*The accompanying notes are an integral part of this financial statement.*

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

	Total for All Funds Total Amount	620 Drug Task Force Actual Amount	633 Dispute Resolution Actual Amount	660 Pac Cnty Post Closure Fund Actual Amount
Beginning Cash & Investments	1,239,662	0	350	335,902
Prior Period Adjustments	-			
Revenues & Other Financing Sources	42,106			
Total Resources	1,281,768		350	335,902
Expenditures & Other Financing Sources	53,896			-
Excess (Deficit) of Resources Over Uses	1,227,872		350	335,902
Nonrevenues (except 384)	25,682,945	4,658	5,270	27,162
Nonexpenditures (except 584)	25,983,436	4,658	5,420	10,195
Ending Cash & Investments	927,381	0	200	352,869

	691 Salary Clearing Total Amount	692 Vendor Clearing Actual Amount	802 Treasurer Suspense Actual Amount	803 Forecloser Trust Actual Amount
Beginning Cash & Investments	467,595	261,999	8,962	124,745
Prior Period Adjustments				
Revenues & Other Financing Sources			(2,793)	23,900
Total Resources	467,595	261,999	6,169	148,645
Expenditures & Other Financing Sources	-	-	-	42,159
Excess (Deficit) of Resources Over Uses	467,595	261,999	6,169	106,486
Nonrevenues (except 384)	12,461,676	13,184,179	-	-
Nonexpenditures (except 584)	12,678,306	13,216,945	72	61,944
Ending Cash & Investments	250,965	229,233	6,097	44,542

The accompanying notes are an integral part of this financial statement.

PACIFIC COUNTY  
Fund Resources and Uses Arising from Cash Transaction  
For Year Ended December 31, 2010

	805 Advance Tax Actual Amount	806 OverPd Tax Sus Total Amount	807 Unclaimed Property Actual Amount	808 Drug Task Actual Amount
Beginning Cash & Investments	198	2,351	757	955
Prior Period Adjustments				
Revenues & Other Financing Sources	639.44	910	4,201	1,371
Total Resources	837	3,260	4,958	2,326
Expenditures & Other Financing Sources	-	-	4,958	-
Excess (Deficit) of Resources Over Uses	837	3,260	-	2,326
Nonrevenues (except 384)	-	-	-	-
Nonexpenditures (except 584)	-	-	-	1,817
Ending Cash & Investments	837	3,260	-	509

	809 Leasehold Actual Amount	810 Private Harvest Actual Amount	813 DPW Suspense Actual Amount	816 Road Vac Suspense Actual Amount
Beginning Cash & Investments	-	-	31,311	4,537
Prior Period Adjustments				
Revenues & Other Financing Sources	2395	-	11,383	100
Total Resources	2,395	-	42,694	4,637
Expenditures & Other Financing Sources	979	-	5,255	546
Excess (Deficit) of Resources Over Uses	1,416	-	37,439	4,091
Nonrevenues (except 384)	-	-	-	-
Nonexpenditures (except 584)	-	-	87	3,991
Ending Cash & Investments	1,416	-	37,352	100

The accompanying notes are an integral part of this financial statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pacific County reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The County of Pacific was established in February 1851 by the Oregon territorial legislature. Pacific County became part of the Territory of Washington upon establishment of the new territory by the United States Congress in 1853. Today, Pacific County operates under the laws of the State of Washington applicable to non-charter county governments. Pacific County is governed by a three-member board of commissioners. The County is divided equally into three commissioner districts based on population. Commissioner candidates are nominated in a primary election by district and are elected in the general election by the voters of the entire county. Pacific County provides the following services: public safety, road and street maintenance, planning and zoning, parks and recreation, judicial administration, health and social services, and general administrative services. In addition, Pacific County owns and operates a communications system. Pacific County uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

The accounts of the County of Pacific are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The County of Pacific's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by Pacific County:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

This fund is the primary operating fund of Pacific County. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for revenues that are legally restricted or designated to finance particular activities of the County.

Debt Service Funds

These funds account for the accumulation of resources to pay principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are designated for the acquisition or construction of general government capital projects.

*In accordance with state law, Pacific County also recognizes expenditures paid during the month of January after the close of the fiscal year for claims incurred during the previous period.*

## PROPRIETARY FUND TYPES:

Enterprise Funds

The County has one proprietary fund, this fund accounts for the activities of the Eklund Park sewer program.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or fund or the County on a cost-reimbursement basis.

## FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by Pacific County in a trustee capacity or as an agent on behalf of others.

Agency Funds

These funds are used to account assets that Pacific County holds for others in an agency capacity.

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

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

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

c. Budgets (see Note 9)

Pacific County adopts annual appropriated budgets for all funds. These budgets are appropriated at the department level within a fund in four categories. These categories are: Personnel Costs, Capital Outlay, Debt Service, and Operating Expenditure. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

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

The County Auditor is authorized to transfer budgeted amounts between programs within a department, or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Board of County Commissioners. A department may utilize up to five percent of a budget category to pay expenditures in another budget category provided the total department expenditures are within the total appropriation for the department within the fund.

When the Board of County Commissioners determines that it is in the best interest of the county to increase the appropriation for a particular fund or department, it may do so by resolution approved by a majority of the Commissioners after holding public hearings.

d. Cash

It is the County's policy to invest all temporary cash surpluses. The interest on these investments is credited to the General Fund if not designated to go to the individual fund.

e. Deposits

The County's deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

f. Investments (see Investment Note No. 3).

The Pacific County Treasurer is empowered by state statute to act as the fiduciary agent for the County (as Treasurer) and other taxing districts within the county (as ex-officio treasurer), which includes the receipt, deposit, and prudent investment of public funds.

Deposits

The County's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool (LGIP) administered by the Washington Public Deposit Protection Commission (WPDPC) at times the county may invest in Federal Bonds.

g. Capital Assets

Capital assets are long-lived assets of the County and are recorded as expenditures when purchased.

h. Compensated Absences

Compensated absences are absences for which employees will be paid at a later date, such as vacation and sick leave. Vacation pay may be accumulated and is payable upon resignation, retirement or death. Maximum allowable accruals are set by union contract.

i. Long-Term Debt (see Long-Term Debt Note No. 6).j. Other Financing Sources or Uses

The County's *Other Financing Sources or Uses* consist of transfers to and from other funds, sale of County timber, sale of fixed assets, and insurance recoveries.

k. Risk Management (see Note No. 8)NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.

There have been no expenditures exceeding legal appropriations in any of the funds of the County.

NOTE 3 - INVESTMENTS

As of December 31, 2010, the County had the following investments:

Investment	Fair value of Pacific County investments	Fair value of investments held by Pacific County as agent for other local governments	Total
State Investment Pool (LGIP)	9,772,651	27,762,133	37,534,784
Certificates of Deposit	250,000	215,312	465,312
U.S. Agency Bonds	-	-	-
Total	10,022,651	27,977,445	38,000,096

NOTE 4 - PROPERTY TAX

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed at the end of each month.

## Property Tax Calendar

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

Property taxes are recorded as a receivable and revenue when levied. Property taxes collected in advance of the fiscal year to which they apply are recorded as deferred revenue and recognized as revenue of the period to which they apply. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The County may levy \$1.80 per \$1,000 of assessed valuation for general governmental services; however, Washington State law in RCW 84.52.043(1) authorizes any county to increase its levy for general county purposes from the \$1.80 rate to a rate not to exceed \$2.475 per \$1,000 of assessed valuation if:

- a) The total levies for both the county and any road district within the county do not exceed \$4.05 per \$1,000 of assessed valuation, and
- b) No other taxing district has its levy reduced as a result of the increased county levy, subject to the following two limitations:
  1. Washington State law in RCW 84.55.0101 limits the growth of regular property taxes to the lesser of the rate of inflation, or 1 percent per year, after adjustment for new construction, unless voters approve a greater increase. If the assessed valuation increases by more than 1 percent due to revaluation, the levy rate will be decreased.
  2. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.

The County's 2010 regular levy for the General Fund was \$1.300852 per \$1,000, which included \$0.025 per \$1,000 for Mental Health and \$0.00814 per \$1000 for Veterans Relief on an assessed valuation of \$2,616,709,257 for a total regular levy of \$3,403,081.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The County's road levy for 2010 was \$1.400259 per \$1,000 on an assessed valuation of \$1,978,654,125 for a total road levy of \$2,849,143.

#### NOTE 5 – INTERFUND LOANS

There was no inter-fund loan activity in 2010.

#### NOTE 6 - LONG-TERM DEBT

The accompanying Schedule of Long-Term Debt (09) provides a listing of outstanding debt of the County and summarizes the County's debt transactions for 2010. The debt service payment for the fiscal year being reported and future payment requirements, including interest, are as follows:

#### Future General Obligation Debt Service

Year			Total
	GO Bonds/Revenue	Assessment Debt	
2010	359,513	34,311	393,824
2011	359,513	34,149	393,662
2012	359,513	33,987	393,500
2013	359,513	33,825	393,338
2014	359,513	33,663	393,176
2015	359,513	33,501	393,014
2016-2020	1,797,565	197,610	1,995,175
2021-2025	1,797,565		1,797,565
2026-2030	1,116,447		1,116,447
2031-2035	94,770		94,770
2036-2040	42,810		42,810
2041-2045	8,930		8,930
2046-2047	3,345		3,345
<b>Total</b>	<b>\$ 7,018,510</b>	<b>\$ 401,046</b>	<b>\$ 7,419,556</b>

#### NOTE 7 - PENSION PLANS

Substantially all Pacific County full-time and qualifying part-time employees participate in PERS, LEOFF, and PSERS administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the County's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98504-8380

#### NOTE 8 - RISK MANAGEMENT

Pacific County is one of the twenty-seven members of the Washington Counties Risk Pool ("Pool"). Other members include: Adams, Benton, Chelan and Clallam, Clark, Columbia, Cowlitz and Douglas, Franklin, Garfield, Grays Harbor and Island, Jefferson, Kittitas, Lewis and Mason, Okanogan, Pend Oreille, San Juan and Skagit, Skamania, Spokane, Thurston and Walla Walla, and Whatcom and Yakima Counties. Kitsap County terminated its membership September 30, 2010. Klickitat and Whitman Counties were also former Pool members, having terminated their memberships September 30, 2002 and 2003 respectively.

**Contingent Liability:** The Pool is a cooperative program with joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover liabilities. Deficits resulting from any of the Pool's fiscal years are financed by proportional reassessments (aka retroactive assessments) against the particular year's membership.

The Pool's reassessments receivable balance at December 31, 2010 remains at \$0.

**Joint Self-Insurance Liability Program:** The Pool has been providing its member counties with occurrence-based, jointly self-insured and/or jointly purchased liability coverage since October 1, 1988 for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, including public officials' errors and omissions. Total coverage limits have grown from the \$1 million limit existing during the Pool's initial two months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million occurrence limit existing the past seven years, Pacific County has a \$25 million coverage limit. (Note: Additional limits of \$5 million have been available several recent years as an option for acquisition by individual member counties.)

Except for the Pool's self insured retention (the greater of the member's deductible or \$100,000), the initial \$10 million of coverage is fully reinsured by superior-rated commercial carriers. Members annually select a deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000, Pacific County has chosen the \$10,000 deductible. The remaining insurance (up to \$15 million) is acquired as "following form" excess insurance from superior-rated commercial carriers. There are no aggregate limits to the payments made for any one member county or all member counties combined.

The Pool's claims database increased during Py2010 with the addition of 769 new claims (and lawsuits) raising the 3rd-party liability claims to-date total submitted by member counties to 17,238. Estimates of incurred losses (payments made plus reserve estimates for open claims) increased \$17.8 million during the year to \$221.4 million.

**Washington Counties Property Program:** Since the Pool began offering a fully-insured and jointly-purchased property insurance coverage to its membership in October 2005 as an individual county option, participation has grown by more than 50% and the total value of covered properties has nearly doubled. Twenty seven member counties with covered properties totaling \$2.76 billion participated in this program during Py2010.

Coverage is for structures, vehicles, mobile equipment, EDP equipment, etc., and composite limits include \$500 million for normal (All Other Perils) exposures and \$200 million for catastrophe (Flood / Earthquake) exposures. Occurrence deductibles, which the participating counties are solely responsible for, range between \$5,000 and \$50,000 for the AOP coverage.

Superior-rated commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. There were 7 property claims submitted for processing during Py2010 with incurred losses-to-date totaling \$0.33 million. But during its first five years as an optional WCRP insuring program, there have been 65 property claims filed with incurred losses-to-date totaling nearly \$9 million.

Other Insurances: Many member counties also use the Pool's producer (broker) for other insurance placements. Public officials bonds, or crime & fidelity, special events/concessionaires and environmental hazards insurance coverage's are a few examples.

Background: The Pool was formed August 18, 1988 when several Washington counties approved an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW to provide its member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Pool operates under Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 82.60 WAC. It is overseen by the State Risk Manager and subject to fiscal audits performed annually by the State Auditor.

The Pool's mission is: To provide comprehensive and economical risk coverage; to reduce the frequency and severity of losses; and to decrease costs incurred in the managing and litigation of claims. The Pool's core values include: being committed to learn, understand and respond to the member counties' insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations; the Pool's board of directors and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and being committed to continuous planning and innovation in product development and service delivery.

The enabling Interlocal Agreement was amended once (in 2000) to add a Membership Compact, a commitment to strengthen the Pool by helping its member counties implement and/or enhance local risk management efforts to reduce losses and support the best management of the Pool and its resources. The intent of the Compact was to obligate member counties to support these goals through three major elements; membership involvement, risk control practices, and a targeted risk management program.

New members can expect to pay the Pool modest admittance fees to cover that members' share of organizational expenses and costs to analyze its loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member remains responsible for reassessments from the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

Governance / Oversight: The Pool is governed by a board of directors consisting of one director (and at least one alternate director) appointed by each member county. The Pool's board of directors, made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Annual Meeting. The board of directors is responsible for determining the 3rd-party liability

coverage to be offered (approving the insuring document or coverage form), the reinsurance program to acquire, the excess insurance(s) to be jointly purchased or offered for optional purchase, for approval of the Pool's annual operating budget(s) and work program(s), and for approval of the member deposit assessment formulas.

Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committee members are elected by the Pool's board of directors from its membership to staggered 3-year terms during each Annual Meeting. The committee meets several times throughout the year to approve all Pool disbursements and examine the Pool's financial health; to approve any case settlement exceeding the member's deductible by at least \$50,000, and to review all claims with incurred loss estimates exceeding \$100,000; to evaluate the Executive Director and the Pool's operations and program deliverables; and to participate in the board's standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization's policies and coverage documents.

**Staffing and Support Teams:** The Pool's 5-person claims staff with more than eighty years combined claims-handling experience handles or oversees the handling of the several hundred liability cases filed each year upon the Pool's member counties each year. This includes establishing reserves for reported and unreported covered events and estimating undiscounted future cash payments for losses and related claims adjustment expenses. Other Pool staffers provide various member services, including conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing. Some address and support the organization's administrative needs.

Professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool. For example, independent actuarial services are furnished by PricewaterhouseCoopers, LLP; insurance producer (brokerage) and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; coverage counsel is provided by Stafford Frey Cooper; and independent claims auditing will be conducted by Strategic Claims Directions LLC with special claims audits frequently performed by the Pool's commercial reinsurers / insurers. These noted professionals are in addition to the many contracted and in-county counselors assigned to defend Pool cases as well as the State Risk Manager and the State Auditor.

**Financial Summary:** The following constitute the more significant highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2009 through September 2010):

- Net Operating Income was realized of \$1.8 million, a 59% increase from the prior year.
- Total Assets grew \$3.2 million (9%) to \$38.9 million. Current assets increased \$3.1 million (9%) while non-current assets increased \$0.1 million (12%).
- Total Claims Reserves for the Pool's direct reserving exposures increased to \$14.0 million, up 7% from the prior year. This total includes: \$6.1 million for losses in the Pool-only retained layer, down 13%; \$7.0 million for losses within the aggregated stop losses of the "corridor" program for automobile and general liabilities, up 37%; and \$0.9 million for unallocated loss adjustment expenses, down 2% from one year ago. NOTE: The corridor program is only four years old and not fully matured. Its occurrence coverage maximum was increased to one million dollars in Py2010, up from the half million level that existed during the program's first three years. The program's occurrence minimum remains the greater of the applicable member's deductible or \$100,000.
- Net Assets (aka Members' Equity) increased \$2 million to \$10.2 million as of September 30, 2010. Of the total, \$5.8 million is classified as Restricted Net Assets — \$1 million to satisfy the State's solvency provisions (WAC 82.60.03001) plus \$4.8 million for the Pool's Underwriting Policy requirements. \$0.2 million is invested in a real property (fraud) recovery and another \$1 million in Capital Assets (net of debt). The remaining \$3.2 million is Non-Restricted Net Assets that is available for use as directed by the Board of Directors.

NOTE 9 – BUDGET VS. ACTUAL

Fund	Operation/Program Title	Personnel Expenses		Operating Expenses		Debt Services		Capital		2010		
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance
<b>001</b>	<b>Total Current Expense Fund</b>									-	-	-
020	LEOFF I Retiree Expenses	\$ 98,914	65,188	1,086	1,027					100,000	66,215	33,785
030	County Code			6,500	3,994					6,500	3,994	2,506
034	Public (Indigent) Defense Services			335,000	308,801					335,000	308,801	26,199
034	Emergency - Official Publications			14,000	1,656					14,000	1,656	12,344
034	Organizational Dues & Support Payments			41,377	35,371					41,377	35,371	6,006
061	Juvenile Detention ("Contract Beds")			104,500	99,250					104,500	99,250	5,250
100	County Assessor	536,958	487,274	78,600	73,187					615,558	560,461	55,097
200	County Auditor	217,699	216,002	110,301	76,307					328,000	292,309	35,691
301	County Commissioners	287,983	287,983	28,650	27,953					316,633	315,936	697
302	Cooperative Extension Services	37,451	37,451	25,650	24,218					63,101	61,668	1,432
303	Civil Service Commission	12,204	11,720	3,950	3,223					16,154	14,943	1,211
305	Interfund Support			977,530	977,530					977,530	977,530	-
31X	<b>Dept. of Public Works (C.E. Only)</b>									-	-	-
311	General Facilities	130,247	129,051	338,421	295,312					468,668	424,363	44,305
312	County Parks	-	-	32,557	31,150			10,000		42,557	31,150	11,408
313	Telecommunications	-	-	184,090	184,090					184,090	184,090	-
34X	Dept. of Gen. Administration	148,567	147,966	28,790	23,979					177,357	171,945	5,411
400	County Clerk	229,512	228,765	48,155	48,462			23,955	23,995	301,622	301,222	401
510	North (Willapa) District Court	186,148	183,158	20,515	18,883					206,663	202,041	4,621
560	South (Peninsula) District Court	242,287	241,799	32,678	31,399					274,964	273,198	1,767
600	Superior Court	276,460	276,460	138,440	137,361					414,900	413,821	1,079
740	<b>County Prosecuting Attorney</b>	671,462	668,314	94,300	85,329					765,762	753,644	12,118
8XX	<b>County Sheriff</b>									-	-	-
800	Law Enforcement Services	2,170,209	2,156,103	603,337	597,230					2,773,546	2,753,333	20,214
900	County Treasurer	266,759	266,758	47,960	47,815					314,719	314,574	145
101	County Fair Fund	36,725	35,784	93,498	73,854			53,998	53,998	184,221	163,636	20,585
102	Emergency Management (PCEMA) Fund	67,022	67,021	153,524	69,091	-	-	9,653	9,653	230,199	145,765	84,434
103	Law Library Fund	-	-	9,000	9,000	-	-	-	-	9,000	9,000	-
104	Road Fund Public Works M & O	1,748,736	1,674,018	2,814,277	2,175,212	-	-	1,020,000	415,646	5,583,013	4,264,876	1,318,137
104	Traffic Law Enforcement	259,613	249,268	47,516	47,239	-	-	-	-	307,129	296,507	10,622
105	Veterans' Relief Fund	2,513	2,512	11,060	9,587	-	-	-	-	13,573	12,099	1,474
106	Tourist Development Fund	13,200	13,192	266,800	262,478	-	-	-	-	280,000	275,670	4,330
108	Flood Control Zone District No. 1 Fund	103,348	48,535	134,654	124,202	34,310	34,311	115,000		387,312	207,048	180,264
109	Vegetation Management (NW Ctrl.) Fund	210,294	209,918	128,611	127,243	-	-	38,000		376,906	337,161	39,745
110	Treasurer's O&M. Fund	20,995	20,996	37,350	27,803	-	-	-		58,345	48,799	9,547
111	Auditor's Operation & Maintenance Fund	58,208	47,233	54,474	32,612	-	-	10,579	5,175	123,260	85,020	38,240
112	Treasurer's REET Electronic Tech. Fund	-	-	-	-	-	-	-	-	-	-	-
116	Community Development Fund	847,501	770,896	597,040	458,736	-	-	-	-	1,444,541	1,229,631	214,910
117	Election Reserve Fund	128,719	116,246	83,316	68,475	-	-	34,500	34,367	246,535	219,088	27,448
118	Public Health & Human Services Fund	1,061,519	1,037,782	887,427	630,734	-	-	-	-	1,948,946	1,668,516	280,430
121	Coop. Extension Special Programs Fund	-	-	900	822	-	-	-	-	900	822	78
125	Cap. Improvements (0.25% REET) Fund	75,506	75,309	431,249	425,075	-	-	383,000	36,029	889,755	536,414	353,341
126	Public Facilities Improvements Fund	-	-	400,000	291,418	-	-	-	-	400,000	291,418	108,582
127	PC Low-Income Assistance Fund	-	-	273,000	168,240	-	-	-	-	273,000	168,240	104,760
128	Shellfish On-Site Sewage Program Fund	-	-	100,000	43,025	-	-	-	-	100,000	43,025	56,975
132	Special Investigations Fund	276,434	244,330	57,248	32,252	-	-	-	-	333,682	276,582	57,100
136	Juvenile Court Services Fund	372,040	369,753	91,560	79,061	-	-	-	-	463,600	448,814	14,786
138	Courts Special Account Fund	14,512	14,512	6,140	5,085	-	-	-	-	20,652	19,597	1,056
160	PACCOM (E-911) Fund	948,078	947,160	170,660	151,818	-	-	225,974	225,794	1,344,712	1,324,771	19,941
191	BECCA Reserve Fund	31,892	31,892	15,948	15,948	-	-	-	-	47,840	47,840	-
197	Cumulative Reserve Fund	18,000	24,134	242,000	59,804	-	-	178,500	177,343	438,500	261,281	177,219
208	2008 LTGO Bond Redemption Fund	-	-	-	-	340,559	340,559	-	-	340,559	340,559	0
306	2008 LTGO Bond Project Fund	-	-	-	-	-	-	-	-	-	-	-
403	Eklund Park Sewer Fund	-	-	7,374	468	17,168	17,168	-	-	24,542	17,636	6,906
502	Equipment Rental & Revolving Fund	524,850	496,161	1,654,966	845,162	-	-	234,000	188,568	2,413,816	1,529,891	883,926
522	Payroll Internal Services Fund	2,219,729	1,437,446	267,350	165,226	-	-	-	-	2,487,079	1,602,672	884,407
531	Risk Management Fund	128,166	128,165	465,174	417,489	-	-	-	-	593,340	545,655	47,685

NOTE 10 – OTHER DISCLOSURES

The Special Investigations Fund has a prior period adjustment of \$76,736.50 for operating transfer included in 2009 but not included in the cash, and grant revenue accrued. The Current Expense fund \$31,000, Road fund \$50, Department of Community Development \$1,000, Election Fund \$15,000, Health Fund \$150 and the ER&R funds \$50 beginning balances are adjusted to include impress funds that were not included in the 2009 ending cash balance.

MCAG NO.

SCHEDULE 9

**PACIFIC COUNTY  
SCHEDULE OF LONG TERM DEBT  
For the Year Ended December 31, 2010**

x G.O. Debt  
\_\_\_\_\_ Revenue Debt  
Assessment Debt

ID No.	Date of Original Issuance	Date of Maturity	Beginning Outstanding Debt 01/01/10 (Ending Outstanding Debt Balance from Prior Year)	Amount Issued in Current Year	Amount Redeemed in Current Year	BARS Code for Redemption	Redeeming Fund Number	Ending Outstanding Debt 12/31/10
263.91 GO Bond Bank of Pacific 2008	5/27/2008	11/1/2028	4,321,697.00		149,802.57		208,000,000	4,171,894.43
263.81 Eklund Park	Sep-96	9/1/2036	266,329.09		5,337.88		403,000,200	260,991.21
263.81 PWTF FCDZ #1	9/17/2002	9/17/2022	420,789.47		32,368.42		108,000,200	388,421.05
<b>TOTAL'S</b>			<b>5,008,815.56</b>		<b>187,508.87</b>			<b>4,821,306.69</b>

**PACIFIC COUNTY**  
**SCHEDULE OF LONG TERM DEBT**  
**For the Year Ended December 31, 2010**

G.O. Debt  
 x Revenue Debt  
 Assessment Debt

ID No.	Date of Original Issuance	Date of Maturity	Beginning Outstanding Debt 01/01/10 (Ending Outstanding Debt Balance from Prior Year)	Amount Issued in Current Year	Amount Redeemed in Current Year	BARS Code for Redemption	Redeeming Fund Number	Ending Outstanding Debt 12/31/10
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263.44 Pac County Fair USDA Loan 07	11/1/2007	11/1/2047	34,077.02	384.24	101,100.201			33,692.78
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Compensated Balances			688,248.59	244,237.00	522			932,485.59
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<b>TOTALS</b>			<b>34,077.02</b>	<b>688,248.59</b>	<b>244,621.24</b>			<b>966,178.37</b>
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**PACIFIC COUNTY, WASHINGTON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Year Ended, December 31, 2010

**Schedule 16F**

Page 1 of 2

Federal Assistance Received Directly From a Federal Agency, or Indirectly Through a State Agency

Grantor/ Pass-Through Grantor	Federal Program Name	Federal CFDA Number	Other Identification Number	Pass Through Awards	Direct Awards	Total Expenditures	Ref.
U.S. Department of Ag Passed-Through Washington Department of Social and Health Services:	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C-14959	\$ 142,298	\$ -	\$ 142,298	
U.S. Department of Ag Passed-Through Washington Department of Social and Health Services-Through Dept of Health:	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FFY08 BRNEP	\$ 33,106	\$ -	\$ 33,106	
				\$ 175,404	\$ -	\$ 175,404	
U.S. Department of Commerce (NOAA) Passed- Through State of Washington:	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	07-1473	\$ 38,593	\$ -	\$ 38,593	
				\$ 38,593	\$ -	\$ 38,593	
U.S. Department of Justice	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.804	2009 Sb-B9-1105		\$ 8,602	\$ 8,602	
U.S. Department of Justice	Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810	304283		\$ 153,319	\$ 153,319	
U.S. Department of Justice Passed-Through COPS: Department of Justice:Drug Enforcement Administration Passed-Through Washington State Patrol:	Public Safety Partnership and Community Policing Grants	16.710	2009CKW/X0392	\$ 6,871		\$ 6,871	
U.S. Department of Justice Passed-Through WA State Dept. of Commerce:	Domestic Cannabis Eradication/Suppression Program	16.000	C090943FED	\$ 5,705		\$ 5,705	
	Violence Against Women Formula Grant	16.588	F05-31103-56	5,000		5,000	
	Violence Against Women Formula Grant	16.588	F05-31103-56	45,697		45,697	
				\$ 63,274	\$ 161,921	\$ 225,194	
U.S. Department of Housing & Urban Development/pass-through WA State Dept. of Commerce	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	09-64009-030	\$ 44,933		\$ 44,933	
	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	09-64009-046	\$ 76,000		\$ 76,000	
				\$ 120,933	\$ -	\$ 120,933	
U.S. Department of Housing & Urban Development/pass-through WA State Dept. of Commerce	Safe and Drug-Free Schools and Communities_State Grants	84.186	M10-34002-125	\$ 12,499	\$ -	\$ 12,499	
	Safe and Drug-Free Schools and Communities_State Grants	84.186	M10-34002-125A	2,298		2,298	
	Safe and Drug-Free Schools and Communities_State Grants	84.186	7000200023	822		822	
				\$ 15,619	\$ -	\$ 15,619	

**PACIFIC COUNTY, WASHINGTON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended, December 31, 2010**

**Schedule 16F**

Page 2 of 2

Federal Assistance Received Directly From a Federal Agency, or Indirectly Through a State Agency

Grantor/ Pass-Through Grantor	Federal Program Name	Federal CFDA Number	Other Identification Number	Pass Through Awards	Direct Awards	Total Expenditures	Ref.
<b>U.S. Department of Health &amp; Human Services</b>	Drug-Free Communities Support Program Grants	93.276	1H795SPO15713-01	\$ -	\$ 102,457	\$ 102,457	
<b>U.S. Department of Health &amp; Human Services</b> Passed through Washington Department of Health - Centers for Disease Control and Prevention	Preventative Health and Health Services Block Grant	93.991	C14959	\$ 16,388	\$ -	\$ 16,388	
<b>U.S. Department of Health &amp; Human Services</b> Passed-Through Washington Department of Health:	Medical Reserve Corps Small Grants Program	93.008	MRC SG061001-103	\$ 10,000	\$ -	\$ 10,000	
	Family Planning_Services	93.217	0663-97806	\$ 54,943	\$ -	\$ 54,943	
	Family Planning_Services	93.217	C 14959	1,000	-	1,000	NOTE 5
	Family Planning_Services	93.217	C 14959	12,228	-	12,228	
	Immunization Grants	93.268	C 14959	13,069	-	13,069	
	ARRA-Immunization	93.712	C 14959	8,672	-	8,672	
	Immunization Grants	93.268	C 13044	1,780	-	1,780	
	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	C 14959	3,118	-	3,118	
	Public Health Emergency Preparedness	93.069	C 14959	52,652	-	52,652	
	Public Health Emergency Preparedness	93.069	C 14959	14,625	-	14,625	
	Public Health Emergency Preparedness	93.069	C 14959	16,809	-	16,809	
	Child Care and Development Block Grant	93.575	C 14959	8,646	-	8,646	
	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	C 14959	6,503	-	6,503	
	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	C 13044	7,414	-	7,414	
	National Bioterrorism Hospital Preparedness Program	93.889	C 13044	965	-	965	
	Child Support Enforcement	93.563	75-1501-0-1-609	8,665	-	8,665	NOTE 4
	Medical Assistance Program	93.778	0563-75740	164,006	-	164,006	
	Block Grants for Prevention and Treatment of Substance Abuse	93.959	0963-68051	22,921	-	22,921	
	Block Grants for Prevention and Treatment of Substance Abuse	93.959	0963-68051-03	41,745	-	41,745	
	Block Grants for Prevention and Treatment of Substance Abuse	93.959	9510-1	10,000	-	10,000	
	Promoting Safe and Stable Families	93.556	0963-66538	7,642	-	7,642	
	Promoting Safe and Stable Families	93.556	1063-93587	5,188	-	5,188	
	Maternal and Child Health Services Block Grant to the States	93.994	C 14959	39,448	-	39,448	
<b>U.S. Department of Health &amp; Human Services</b> Passed-Through Washington Secretary of State:	Voting Access for Individuals with Disabilities_ Grants to States	93.617	G-2849	44,286	-	44,286	
<b>Department of Homeland Security Passed</b> Through Washington State Military Department:	Homeland Security Grant Program	97.067	E10-225 SHSP FFY09	29,441	-	29,441	
	Emergency Management Performance Grants	97.042	E10-266 EMPG FFY10	19,594	-	19,594	
				\$ 49,034	\$ -	\$ 49,034	
<b>FEMA Public Assistance Grant Passed</b> Through Washington State Military Department	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EO8774	\$ 25,013	\$ -	\$ 25,013	NOTE 6
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	E09544	\$ 100	\$ -	\$ 100	NOTE 6
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	E09071	\$ 100	\$ -	\$ 100	NOTE 6
				\$ 25,213	\$ -	\$ 25,213	
<b>TOTAL FEDERAL ASSISTANCE</b>				\$ 1,060,783	\$ 264,378	\$ 1,325,160	

# PACIFIC COUNTY, WASHINGTON

## NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE for the year ended December 31, 2010

### NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the county's financial statements. The County uses the cash basis of accounting.

### NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal or state grant portion of the program costs. Entire program costs, including the county's portion, may be more than shown.

### NOTE 3 - NONCASH AWARDS-VACCINATIONS

The amount of vaccine reported on the schedule is the value of the vaccine distributed by the county during 2009 in lieu of cash revenues, as calculated by the Washington State Department of Health.

### NOTE 4 - NOT AVAILABLE (N/A)

The county was unable to obtain a specific identification number.

### NOTE 5 - ROUNDING

Totals shown on the schedule may not add due to rounding.

### NOTE 6- FEMA GRANT

Unanticipated money received from previous years FEMA declared disasters.



## **ABOUT THE STATE AUDITOR'S OFFICE**

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

Our mission is to work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

**State Auditor**  
**Chief of Staff**  
**Deputy Chief of Staff**  
**Chief Policy Advisor**  
**Director of Audit**  
**Director of Performance Audit**  
**Director of Special Investigations**  
**Director for Legal Affairs**  
**Director of Quality Assurance**  
**Local Government Liaison**  
**Communications Director**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Brian Sonntag, CGFM**  
**Ted Rutt**  
**Doug Cochran**  
**Jerry Pugnetti**  
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