

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

Pacific County

Audit Period
January 1, 2011 through December 31, 2011

Report No. 1008443

Issue Date
September 26, 2012



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

September 26, 2012

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, 2011 through December 31, 2011

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 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 no 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 no 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>
14.228	CDBG – State-Administered CDBG Cluster - Community Development Block Grants/State's Program
93.276	Drug-Free Communities Support Program Grants

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 qualified as a low-risk auditee under OMB Circular A-133.

Schedule of Audit Findings and Responses

Pacific County January 1, 2011 through December 31, 2011

1. The County's internal controls over financial statement preparation are inadequate to ensure accurate reporting.

Background

It is the responsibility of County management to design and follow internal controls that provide reasonable assurance regarding the reliability of financial reporting. We identified significant deficiencies in controls that adversely affect the County's ability to produce reliable financial statements.

Description of Condition

Our audit identified the following weaknesses in internal controls, that when taken together represent a significant deficiency:

- The total receipts, payments and cash balances for 45 special purpose districts are reported on the Schedule of Cash Activity. The County lacks procedures to properly reconcile revenue and expenditure amounts between records kept by the County Treasurer and those kept by the County Auditor. This has resulted in special purpose district financial activity not reconciling with the bank statements.
- The County reviews the financial statements, notes, and schedules before submitting them for audit. This review was not effective in ensuring accurate and complete financial reporting.
- The County did not fully follow the new Governmental Accounting Standards Board (GASB) Statement No. 54 when preparing its 2011 financial statements. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the governmental fund type definitions. The statement also updates the criteria a fund must meet in order to be reported as a special revenue fund. The County is responsible for supporting how it has reclassified its fund balances into the new categories and for determining which funds to report as special revenue funds. Although County personnel believed they had a clear understanding of GASB No. 54 requirements, they misunderstood the requirements.

Cause of Condition

County management has not designed adequate internal controls to ensure its reporting of financial information is accurate and complete.

Effect of Condition

We identified the following errors during our audit:

- The County misclassified \$73,979,449 in expenditures. This information also did not reconcile with the bank statements. Since the County's ending cash and investment balances were accurately reported and tied to the bank statements, the County did not correct these errors.
- In its financial statements and schedules, the County:
 - Misclassified \$170,260 in expenditures in the Capital Improvements Fund.
 - Under-reported expenditures from its Equipment Rental and Revolving Fund by \$283,541.
 - Under-reported investments by \$14,393,739 in the notes to the Financial Statements.
 - Under-reported a public work trust fund loan by \$32,368 and compensated absences by \$931,468 on the Schedule of Long-Term Liabilities. Further, three of the five liability identification numbers were not reported in accordance to the BAR's manual and the title of the Schedule was not correct.
 - One grant was under-reported by \$30,000 and another was over-reported by \$13,623 on the Schedule of Expenditures of Federal Awards (SEFA). Further, there were errors in program titles, CFDA numbers and the Notes to the SEFA.

The County corrected the errors.

- The County did not properly address the GASB 54 requirement to review and evaluate restricted revenues and special revenue funds. The County did not evaluate special revenue funds to ensure they qualified for this classification until requested by the auditor. One fund totaling \$1,016,862 was reported as a special revenue fund when it did not qualify.

We also found the County did not disclose the nature and amount of reserved fund balance in the notes to the financial statements.

The County corrected these errors.

Recommendation

We recommend the County establish:

- Procedures to reconcile revenues and expenditures between the County Treasurer and the County Auditor to ensure Special Purpose district financial activity is accurately reported.

- A detailed review of the financial statements, notes and schedules. The County may consider the use of a checklist for this review and can find resources available at the client support section of our website, www.sao.wa.gov.
- Obtain sufficient guidance prior to using complex accounting standards, including GASB Statement No. 54, to ensure proper interpretation and reporting.

County's Response

Pacific County appreciates the opportunity to respond to this finding. The economic down turn in revenues over the last 3 years have affected Pacific County as it has every other county in the state. These smaller revenue resources have caused the county to allocate monies to only the most necessary programs in order to function at the highest possible standard for the public. In trying to conserve our revenues Pacific County has made the shift from accrual to cash basis accounting. This audit, unfortunately, has uncovered weaknesses in the reporting systems used to generate the financial statements and state report. The misclassified expenditures on this report are continuing to be worked on so these types of problems do not arise in the future.

Pacific County and its staff are committed to presenting accurate and complete financial reports. In the coming year we intend to focus on the State Auditor's recommendations. We will work to build internal controls that will allow both the Treasurer and the Auditor to reconcile reports to each other, the bank statements and the Special Purpose district financial activity. As education becomes available through BARS classes and other opportunities, we plan to send personnel involved in reporting to ensure the accurate and complete financial reporting of Pacific County. The County will utilize the checklist and resources from the SAO web site to assist in a thorough review of the financial reports before submission.

The County recognizes the importance of implementing the new Governmental Accounting Standards Board (GASB) Statement No. 54 correctly so that the public may compare the information provided within our state reports to that of other counties. To meet these expectations we will work with the State Auditor's office on the issues set forth and anticipate better understanding for future reporting.

Auditor's Remarks

We appreciate the County's commitment to resolving the issues noted. We will follow up on its status during the next audit.

Applicable Laws and Regulations

RCW 43.09.200 states in part:

The state auditor shall formulate, prescribe, and install a system of accounting and reporting for all local governments, which shall be uniform for every public institution, and every public office, and every public account of the same class.

Budget Accounting and Reporting System (BARS) Manual - Part 3, Accounting, Chapter 1. Accounting Principles and General Procedures, Section B. Internal Control, states in part:

Internal control is defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), in standards adopted by the American Institute of Certified Public Accountants and by the Federal Office of Management and Budget as follows:

Internal control is a process – affected by those charged with governance, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Compliance with applicable laws and regulations
- Reliability of financial reporting

Management and the governing body are responsible for the government's performance, compliance and financial reporting. Therefore, the adequacy of internal control to provide reasonable assurance of achieving these objectives is also the responsibility of management and the governing body. The governing body has ultimate responsibility for ensuring adequate controls to achieve objectives, even though primary responsibility has been delegated to management.

Government Auditing Standards, July 2007 Revision – Section 5.11 provides that auditors should report material weaknesses and significant deficiencies in internal control, which it defines as:

a. Significant deficiency: a deficiency in internal control or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with GAAP such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

b. Material weakness: a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Budget Accounting and Reporting System (BARS) Manual - Part 1, Accounting, Chapter 4, Page 4, Ending Cash and Investments, states:

Amounts of cash and investments that have been not spent at the end of fiscal year. The distinction between reserved and unreserved fund balances is required. The details of reserved amounts must be disclosed in the notes to financial statements.

Budget Accounting and Reporting System (BARS) Manual - Part 3, Chapter 1, section A4, Fund Types and Accounting Principles, states:

Special Revenue Funds – should be used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. Restricted revenues are resources externally restricted by creditors, grantors, contributors or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation. Committed revenues are resources with limitations imposed by the highest level of the government (e.g., board of commissioners, city council, etc.) through a formal action (resolution, ordinance) and where the limitations can be removed only by a similar action of the same governing body. Revenues do not include other financing sources (long-term debt, transfers, etc.).

The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be foundation for a special revenue fund. They should be expected to continue to comprise a substantial portion of the inflows reported in the fund. It is recommended that at least 20 percent is a reasonable limit for restricted and committed revenues to create a foundation for a special revenue fund. Local governments need to consider factors such as past resource history, future resource expectations and unusual current year inflows such as debt proceeds in their analysis.

Schedule of Prior Federal Audit Findings

Pacific County January 1, 2011 through December 31, 2011

This schedule presents the status of federal findings reported in prior audit periods. The status listed below is the representation of Pacific County. The State Auditor's Office has reviewed the status as presented by the County.

Audit Period: January 1, 2010 through December 31, 2010	Report Reference No: 1006486	Finding Reference No: 1	CFDA Number: 93.279
Federal Program Name and Granting Agency: Drug-Free Communities Support Program Grants , U.S. Department of Health and Human Services		Pass-Through Agency Name: NA	
Finding Caption: Pacific County's internal controls over its Drug-Free Communities Support Program are inadequate to ensure compliance with federal regulations.			
Background: 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. 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. 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.			
Status of Corrective Action: (check one) <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> No Corrective Action Taken <input type="checkbox"/> Finding is considered no longer valid			
Corrective Action Taken: <i>The County established and followed procedures to formally bid out professional services. The County also reviewed the Excluded Parties List System to ensure contractors that received funds from the Drug-Free Communities Support Program were not suspended or debarred. The County has complied with procurement, suspension and debarment requirements for federal programs, and the County intends to comply with these requirements in the future.</i>			

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, 2011 through December 31, 2011**

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, 2011, and have issued our report thereon dated September 17, 2012.

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 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 identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Audit Findings and Responses as Finding 1, that we consider to be significant deficiencies in internal control over financial reporting. 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.

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*.

The County's response to the finding identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. We did not audit the County's response and, accordingly, we express no opinion on it.

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", written in a cursive style.

BRIAN SONNTAG, CGFM
STATE AUDITOR

September 17, 2012

**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, 2011 through December 31, 2011**

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, 2011. 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, 2011.

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.

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.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

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

September 17, 2012

Independent Auditor's Report on Financial Statements

Pacific County
January 1, 2011 through December 31, 2011

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, 2011. 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, 2011, 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 Liabilities 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The report is intended for the information and use of the governing body and management of the County. 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

September 17, 2012

Financial Section

Pacific County
January 1, 2011 through December 31, 2011

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2011
Notes to Financial Statements – 2011

SUPPLEMENTARY INFORMATION

Schedule of Liabilities – 2011
Schedule of Expenditures of Federal Awards – 2011
Notes to the Schedule of Expenditures of Federal Awards – 2011

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	Total For All Funds	001 Current Expense	101 Fair
	Total Amount	Actual Amount	Actual Amount
Beginning Cash & Investments			
308 Reserved	4,099,598	31,000	30,943
309 Unreserved	14,115,173	3,298,838	33,713
588 Prior Period Adjustment	(165,148)	(23,837)	-
Revenues and Other Sources			
310 Taxes	9,873,241	5,551,456	-
320 Licenses & Permits	301,673	9,110	-
330 Intergovernmental	8,247,830	1,569,784	49,700
340 Charges for Goods and Services	2,988,202	683,188	32,596
350 Fines and Penalties	424,446	406,298	-
360 Miscellaneous	1,489,766	54,571	37,938
370 Capital Contributions	-	-	-
390 Other Financing Sources	1,676,881	220,505	-
Total Revenues & other Sources	25,002,039	8,494,912	120,234
Total Resources	43,051,662	11,800,913	184,890
Operating Expenditures			
510 General Government	8,211,535	4,505,354	-
520 Public Safety	5,295,938	2,674,296	-
530 Physical Environment	715,684	17,317	-
540 Transportation	4,686,291	-	-
550 Economic Environment	322,585	11,500	-
560 Mental & Physical Health	1,830,445	-	-
570 Culture & Recreational	190,959	80,188	107,621
Total Operating Expenditures	21,253,437	7,288,655	107,621
591-593 Debt Service	388,081	-	1,786
594-595 Capital Outlay	1,895,922	68,305	3,500
Total Expenditures	23,537,440	7,356,960	112,907
597-599 Other Financing Uses	1,592,689	1,013,257	-
Total Expenditures & Other Financing Uses	25,130,129	8,370,217	112,907
Excess (Deficit) Of Resources Over Uses			
380 Nonrevenue (Except 384)	1,311,573	10,028	1,481
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	(5,581)	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	10,781,951	-	73,464
508.8 Unreserved	8,445,574	3,440,724	-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	102 PC Emergency Admin	103 Law Library	104 Roads
	Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments			
308 Reserved	-	10,155	1,353,846
309 Unreserved	26,707	-	1,866,404
389 Prior Period Adjustment	-	-	-
Revenues and Other Sources			
310 Taxes	-	-	3,098,330
320 Licenses & Permits	-	-	-
330 Intergovernmental	63,992	-	2,698,641
340 Charges for Goods and Services	-	7,458	20,718
350 Fines and Penalties	-	-	-
360 Miscellaneous	568	-	84,904
370 Capital Contributions	-	-	-
390 Other Financing Sources	64,900	-	244,433
Total Revenues & other Sources	129,460	7,458	6,147,026
Total Resources	156,167	17,613	9,367,276
Operating Expenditures			
510 General Government	-	9,998	15,689
520 Public Safety	143,913	-	292,513
530 Physical Environment	-	-	-
540 Transportation	-	-	3,512,134
550 Economic Environment	-	-	-
560 Mental & Physical Health	-	-	-
570 Culture & Recreational	-	-	-
Total Operating Expenditures	143,913	9,998	3,820,336
591-593 Debt Service	-	-	-
594-595 Capital Outlay	-	-	749,516
Total Expenditures	143,913	9,998	4,569,852
597-599 Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses	143,913	9,998	4,569,852
Excess (Deficit) Of Resources Over Uses	12,254	7,615	4,797,424
380 Nonrevenue (Except 384)	-	-	-
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	12,254	7,615	4,797,424
508.8 Unreserved	-	-	-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	105 Veterans Fund	106 Tourism Development	108 Flood Control
	Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments			-
308 Reserved	26,829	482,536	
309 Unreserved	-	-	426,560
389 Prior Period Adjustment	-	(21,586)	-
Revenues and Other Sources			
310 Taxes	29,727	260,636	-
320 Licenses & Permits	-	-	-
330 Intergovernmental	777	-	-
340 Charges for Goods and Services	-	2,500	353,926
350 Fines and Penalties	-	-	-
360 Miscellaneous	73	4,613	647
370 Capital Contributions	-	-	-
390 Other Financing Sources	1,995	-	-
Total Revenues & other Sources	32,572	267,749	354,573
Total Resources	59,401	728,699	781,133
Operating Expenditures			
510 General Government	-	-	-
520 Public Safety	-	-	-
530 Physical Environment	-	-	197,170
540 Transportation	-	-	-
550 Economic Environment	7,236	281,829	-
560 Mental & Physical Health	-	-	-
570 Culture & Recreational	-	-	-
Total Operating Expenditures	7,236	281,829	197,170
591-593 Debt Service	-	-	34,149
594-595 Capital Outlay	-	-	-
Total Expenditures	7,236	281,829	231,319
597-599 Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses	7,236	281,829	231,319
Excess (Deficit) Of Resources Over Uses	52,165	446,870	549,814
380 Nonrevenue (Except 384)	-	-	-
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	52,165	446,870	549,814
508.8 Unreserved	-	-	-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

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	-	144,469	164,683
309 Unreserved	78,391	-	-
389 Prior Period Adjustment	-	-	-
Revenues and Other Sources			
310 Taxes	-	-	-
320 Licenses & Permits	-	-	-
330 Intergovernmental	261,793	-	46,812
340 Charges for Goods and Services	145,093	40,392	16,494
350 Fines and Penalties	-	-	-
360 Miscellaneous	-	-	-
370 Capital Contributions	-	-	-
390 Other Financing Sources	-	-	-
Total Revenues & other Sources	406,886	40,392	63,306
Total Resources	485,277	184,861	227,989
Operating Expenditures			
510 General Government	-	49,586	94,391
520 Public Safety	-	-	-
530 Physical Environment	310,211	-	-
540 Transportation	-	-	-
550 Economic Environment	-	-	-
560 Mental & Physical Health	-	-	-
570 Culture & Recreational	-	-	-
Total Operating Expenditures	310,211	49,586	94,391
591-593 Debt Service	-	-	-
594-595 Capital Outlay	64,340	-	-
Total Expenditures	374,551	49,586	94,391
597-599 Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses	374,551	49,586	94,391
Excess (Deficit) Of Resources Over Uses	110,726	135,275	133,598
380 Nonrevenue (Except 384)	-	-	-
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	110,726	135,275	133,598
508.8 Unreserved	-	-	-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	112 Treasurer Reet Technology Actual Amount	116 Dept of Community Dev Actual Amount	117 Elections Actual Amount
Beginning Cash & Investments			
308 Reserved	127,260	1,000	110,106
309 Unreserved	-	1,313,137	-
389 Prior Period Adjustment	-	-	-
Revenues and Other Sources			
310 Taxes	-	-	-
320 Licenses & Permits	-	292,563	-
330 Intergovernmental	-	278,477	43,625
340 Charges for Goods and Services	-	279,047	75,869
350 Fines and Penalties	-	4,934	-
360 Miscellaneous	-	(1)	101
370 Capital Contributions	-		
390 Other Financing Sources	-	-	100,000
Total Revenues & other Sources	-	855,020	219,595
Total Resources	127,260	2,169,157	329,701
Operating Expenditures			
510 General Government	22,930	863,058	153,055
520 Public Safety	-	-	-
530 Physical Environment	-	120,193	-
540 Transportation	-	-	-
550 Economic Environment	-	6,694	-
560 Mental & Physical Health	-	93,503	-
570 Culture & Recreational	-	-	-
Total Operating Expenditures	22,930	1,083,448	153,055
591-593 Debt Service	-	-	-
594-595 Capital Outlay	-	-	5,591
Total Expenditures	22,930	1,083,448	158,646
597-599 Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses	22,930	1,083,448	158,646
Excess (Deficit) Of Resources Over Uses	104,330	1,085,709	171,055
380 Nonrevenue (Except 384)	-	-	5,171
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	104,330	1,085,709	176,226
508.8 Unreserved	-		-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	118 Health & Human Services	121 Extension Ed Programs	127 PC Low Income Assistance
	Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments			
308 Reserved	13,214	-	268,843
309 Unreserved	63,742	800	-
389 Prior Period Adjustment	(85,606)	-	(1,822)
Revenues and Other Sources			
310 Taxes	65,703	-	-
320 Licenses & Permits	-	-	-
330 Intergovernmental	1,669,561	-	-
340 Charges for Goods and Services	52,807	97	139,943
350 Fines and Penalties	-	-	-
360 Miscellaneous	9,397	-	-
370 Capital Contributions	-	-	-
390 Other Financing Sources	83,662	-	-
Total Revenues & other Sources	1,881,130	97	139,943
Total Resources	1,872,480	897	406,964
Operating Expenditures			
510 General Government	-	-	-
520 Public Safety	-	-	-
530 Physical Environment	-	-	-
540 Transportation	-	-	-
550 Economic Environment	4,065	-	-
560 Mental & Physical Health	1,736,942	-	-
570 Culture & Recreational	-	265	-
Total Operating Expenditures	1,741,007	265	-
591-593 Debt Service	-	-	-
594-595 Capital Outlay	-	-	-
Total Expenditures	1,741,007	265	-
597-599 Other Financing Uses	-	-	49,020
Total Expenditures & Other Financing Uses	1,741,007	265	49,020
Excess (Deficit) Of Resources Over Uses	131,473	632	357,944
380 Nonrevenue (Except 384)	-	-	-
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	131,473	632	357,944
508.8 Unreserved	-	-	-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	128 PC Shellfish Program Actual Amount	132 Special Investigation Actual Amount	136 Juvenile Court Actual Amount
Beginning Cash & Investments			
308 Reserved	56,975	-	8,919
309 Unreserved	-	16,004	-
389 Prior Period Adjustment	-	(5,376)	-
Revenues and Other Sources			
310 Taxes	-	-	-
320 Licenses & Permits	-	-	-
330 Intergovernmental	43,025	114,541	165,473
340 Charges for Goods and Services	-	-	-
350 Fines and Penalties	-	13,214	-
360 Miscellaneous	-	1,590	-
370 Capital Contributions	-	-	-
390 Other Financing Sources	-	92,907	272,157
Total Revenues & other Sources	43,025	222,252	437,630
Total Resources	100,000	232,880	446,549
Operating Expenditures			
510 General Government	-	-	-
520 Public Safety	-	198,267	431,018
530 Physical Environment	-	-	-
540 Transportation	-	-	-
550 Economic Environment	-	-	-
560 Mental & Physical Health	-	-	-
570 Culture & Recreational	-	-	-
Total Operating Expenditures	-	198,267	431,018
591-593 Debt Service	-	-	-
594-595 Capital Outlay	-	-	-
Total Expenditures	-	198,267	431,018
597-599 Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses	-	198,267	431,018
Excess (Deficit) Of Resources Over Uses	100,000	34,613	15,531
380 Nonrevenue (Except 384)	-	-	-
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	100,000	34,613	15,531
508.8 Unreserved	-	-	-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	138 Court Special	160 PACCOM	191 Becca Reserve
	Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments			
308 Reserved		-	55,150
309 Unreserved	23,090	52,756	-
389 Prior Period Adjustment	-	(7,609)	-
Revenues and Other Sources			
310 Taxes	-	241,891	-
320 Licenses & Permits	-	-	-
330 Intergovernmental	4,910	602,633	51,158
340 Charges for Goods and Services	2,582	-	-
350 Fines and Penalties	-	-	-
360 Miscellaneous	-	396	-
370 Capital Contributions	-	-	-
390 Other Financing Sources	-	419,901	-
Total Revenues & other Sources	7,492	1,264,821	51,158
Total Resources	30,582	1,309,968	106,308
Operating Expenditures			
510 General Government	-	-	31,892
520 Public Safety	10,441	1,068,271	-
530 Physical Environment	-	-	-
540 Transportation	-	-	-
550 Economic Environment	-	-	-
560 Mental & Physical Health	-	-	-
570 Culture & Recreational	-	-	-
Total Operating Expenditures	10,441	1,068,271	31,892
591-593 Debt Service	-	-	-
594-595 Capital Outlay	-	-	-
Total Expenditures	10,441	1,068,271	31,892
597-599 Other Financing Uses	-	-	15,946
Total Expenditures & Other Financing Uses	10,441	1,068,271	47,838
Excess (Deficit) Of Resources Over Uses	20,141	241,697	58,470
380 Nonrevenue (Except 384)	-	-	-
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	20,141	241,697	58,470
508.8 Unreserved			-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	208 Limited Tax GO Bond Actual Amount	306 Limited Tax GO Proceeds Actual Amount*	301 Capital Improvements Actual Amount
Beginning Cash & Investments			
308 Reserved	-	-	832,726
309 Unreserved	176	2,964	-
389 Prior Period Adjustment	-	-	-
Revenues and Other Sources			
310 Taxes	-	-	427,886
320 Licenses & Permits	-	-	-
330 Intergovernmental	-	-	582,928
340 Charges for Goods and Services	-	-	100
350 Fines and Penalties	-	-	-
360 Miscellaneous	170,284	-	4,525
370 Capital Contributions	-	-	-
390 Other Financing Sources	170,279	-	-
Total Revenues & other Sources	340,563	-	1,015,439
Total Resources	340,739	2,964	1,848,165
Operating Expenditures			
510 General Government	-	-	236,581
520 Public Safety	-	2,964	-
530 Physical Environment	-	-	-
540 Transportation	-	-	-
550 Economic Environment	-	-	11,261
560 Mental & Physical Health	-	-	-
570 Culture & Recreational	-	-	-
Total Operating Expenditures	-	2,964	247,842
591-593 Debt Service	340,559	-	-
594-595 Capital Outlay	-	-	488,347
Total Expenditures	340,559	2,964	736,189
597-599 Other Financing Uses	-	-	296,090
Total Expenditures & Other Financing Uses	340,559	2,964	1,032,279
Excess (Deficit) Of Resources Over Uses	180	-	815,886
380 Nonrevenue (Except 384)	-	-	-
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	180	-	815,886
508.8 Unreserved			

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	302 Local Option Tax Spec Rev Actual Amount	404 Eklund Park Actual Amount
Beginning Cash & Investments		
308 Reserved	380,794	-
309 Unreserved	-	12,339
389 Prior Period Adjustment	(19,311)	
Revenues and Other Sources		
310 Taxes	197,612	-
320 Licenses & Permits	-	-
330 Intergovernmental	-	-
340 Charges for Goods and Services	-	19,061
350 Fines and Penalties	-	-
360 Miscellaneous	-	17
370 Capital Contributions	-	-
390 Other Financing Sources	-	-
Total Revenues & other Sources	197,612	19,078
Total Resources	559,095	31,417
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	-	11,587
594-595 Capital Outlay	-	-
Total Expenditures	-	12,055
597-599 Other Financing Uses	218,376	-
Total Expenditures & Other Financing Uses	218,376	12,055
Excess (Deficit) Of Resources Over Uses	340,719	19,362
380 Nonrevenue (Except 384)	-	-
385 Collection of Receivables	-	-
580 Nonexpenditures (Except 584)	-	(5,581)
585 Disbursement of Accrued Expenditures	-	-
Ending Cash & Investments:		
508.1 Reserved	340,719	13,781
508.8 Unreserved	-	-

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

Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2011

Bars Code	502 Equipment Rental & Revolving	522 Payroll ISF	531 Risk Management
	Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments			
308 Reserved	150	-	-
309 Unreserved	4,683,139	1,774,234	442,179
389 Prior Period Adjustment	-	-	-
Revenues and Other Sources			
310 Taxes	-	-	-
320 Licenses & Permits	-	-	-
330 Intergovernmental	-	-	-
340 Charges for Goods and Services	340,249	299,233	476,849
350 Fines and Penalties	-	-	-
360 Miscellaneous	1,115,977	3,397	769
370 Capital Contributions	-	-	-
390 Other Financing Sources	1,304	-	4,838
Total Revenues & other Sources	1,457,530	302,630	482,456
Total Resources	6,140,819	2,076,864	924,635
Operating Expenditures			
510 General Government	202,941	1,504,499	521,561
520 Public Safety	167,176	307,079	-
530 Physical Environment	70,325	-	-
540 Transportation	1,174,157	-	-
550 Economic Environment	-	-	-
560 Mental & Physical Health	-	-	-
570 Culture & Recreational	-	-	2,885
Total Operating Expenditures	1,614,599	1,811,578	524,446
591-593 Debt Service	-	-	-
594-595 Capital Outlay	516,323	-	-
Total Expenditures	2,130,922	1,811,578	524,446
597-599 Other Financing Uses	-	-	-
Total Expenditures & Other Financing Uses	2,130,922	1,811,578	524,446
Excess (Deficit) Of Resources Over Uses	4,009,897	265,286	400,189
380 Nonrevenue (Except 384)	-	1,294,893	-
385 Collection of Receivables	-	-	-
580 Nonexpenditures (Except 584)	-	-	-
585 Disbursement of Accrued Expenditures	-	-	-
Ending Cash & Investments:			
508.1 Reserved	-	932,486	32,929
508.8 Unreserved	4,009,897	627,693	367,260

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

Fund Resources and Uses Arising from Cash Transactions

For the Year Ended December 31, 2011

	620	633	660
	Drug Task Force	Dispute Resolution	Pac Cnty Post Closure Fund
	Actual Amount	Actual Amount	Actual Amount
Total for All Funds			
Total Amount	927,380	200	352,869
Beginning Cash & Investments			
Prior Period Adjustments	-		
Revenues & Other Financing Sources	374,728	4,920	55,546
Total Resources	1,302,108	5,120	408,415
Expenditures & Other Financing Sources	57,586	-	57,586
Excess (Deficit) of Resources Over Uses	1,244,522	5,120	350,829
Nonrevenues (except 384)	25,061,802	-	75,841
Nonexpenditures (except 584)	25,011,713	4,790	76,497
Ending Cash & Investments	1,294,612	330	350,173
	691	661	662
	Salary	Treasurer	Forecloser
	Cleaning	Suspense	Trust
	Actual Amount	Actual Amount	Actual Amount
Total Amount	250,965	6,097	44,542
Beginning Cash & Investments			
Prior Period Adjustments			
Revenues & Other Financing Sources	229,233	5,017	7,207
Total Resources	250,965	11,114	51,749
Expenditures & Other Financing Sources	-	-	-
Excess (Deficit) of Resources Over Uses	229,233	11,114	51,749
Nonrevenues (except 384)	11,970,302	-	-
Nonexpenditures (except 584)	11,845,420	1,649	11,426
Ending Cash & Investments	375,848	9,465	40,323

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

Fund Resources and Uses Arising from Cash Transactions

For the Year Ended December 31, 2011

	663	664	665	666
	Advance	OverPd	Unclaimed	Drug
	Tax	Tax Sus	Property	Task
	Actual Amount	Total Amount	Actual Amount	Actual Amount
Beginning Cash & Investments	837	3,260	-	509
Prior Period Adjustments	(383)	417	268	1,126
Revenues & Other Financing Sources	454	3,677	268	1,635
Total Resources	-	-	-	-
Expenditures & Other Financing Sources	454	3,677	268	1,635
Excess (Deficit) of Resources Over Uses	-	-	-	-
Nonrevenues (except 384)	-	-	-	-
Nonexpenditures (except 584)	-	-	-	1,569
Ending Cash & Investments	454	3,677	268	66

	667	668	669	670
	Leasehold	Private	DPW	Road
	Harvest	Suspense	Vac	Suspense
	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash & Investments	1,416	-	37,352	100
Prior Period Adjustments	(306)	268,651	29,347	-
Revenues & Other Financing Sources	1,110	268,651	66,699	100
Total Resources	-	-	-	-
Expenditures & Other Financing Sources	1,110	268,651	66,699	100
Excess (Deficit) of Resources Over Uses	-	-	-	-
Nonrevenues (except 384)	1,110	-	10,049	-
Nonexpenditures (except 584)	0	268,651	56,650	100
Ending Cash & Investments				

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, 2011, 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)	4,978,675	36,466,128	41,444,803
Certificates of Deposit	254,134	176,504	430,638
U.S. Agency Bonds	2,006,720		2,006,720
Total	6,985,395	36,642,632	43,882,161

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 2011 regular levy for the General Fund was \$1.80 per \$1,000, which included \$68,674 for Mental Health and \$30,901 for Veterans Relief on an assessed valuation of \$2,597,104,766 for a total regular levy of \$3,572,631.

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 2011 was \$1.400259 per \$1,000 on an assessed valuation of \$1,821,163,596 for a total road levy of \$1,959,330,531.

NOTE 5 – INTERFUND LOANS

There was no inter-fund loan activity in 2011.

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 2011. 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	GO Bonds/Revenue	Assessment Debt	Total
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	359,513	33,339	392,852
2017-2020	1,438,052	164,270	1,602,322
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
Total	\$ 6,658,997	\$ 366,734	\$ 7,025,731

NOTE 7 - PENSION PLANS

Substantially all Pacific County full-time and qualifying part-time employees participate in PERS, LEOF, 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 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 and San Juan, Skamania, Skagit, Spokane and Thurston, Walla Walla, Whatcom and Yakima Counties. Kitsap, Klickitat and Whitman Counties are former Pool members, having terminated their memberships September 30, 2010, 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) amongst the deficient year's membership. The Pool's reassessments receivable balance at December 31, 2011 was \$0 as no contingent liabilities were known to exist at that time.

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

Except for the Pool's self insured retention (the greater of the member's deductible or \$100,000), the initial coverage of at least \$10 million has been fully reinsured since October 1994 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. The remaining insurance (up to \$15 million) is acquired as "following form" excess insurance, also 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 Py2011 with the addition of 744 new claims (and lawsuits) raising the 3rd-party liability claims to-date total submitted by member counties to 17,982. Estimates of

total incurred losses (payments made plus reserved estimates for open claims) increased \$16.0 million during the year to \$237.4 million.

Washington Counties Property Program: Since the Pool began offering the jointly-purchased, fully-insured 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 \$2.6 billion participated in this program during Py2011.

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 annually select from and which they 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 13 property claims submitted for processing during Py2011 with incurred losses-to-date totaling nearly \$0.85 million. During its first six years being offered through the WCRP as an optional insuring program, there have been 78 property claims filed with incurred losses-to-date totaling nearly \$9.75 million. With to-date premiums for this coverage totaling \$13.75 million, the resulting to-date loss ratio is 0.71.

Other Insurances: Several 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 coverages 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 200.100 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.

A new member may be asked to pay modest admittance fees to cover that member's share of the Pool's 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 its proportional shares of any unresolved, unreported, and in-process claims for the periods 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 Pool's 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(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, for approval of the Pool's annual operating budget(s) and work program(s), and for approval of the member deposit assessment formulas applicable to the ensuing policy year.

Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committeepersons 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 upon the Pool's member counties each year. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other Pool staffers provide various member services, e.g 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; independent claims auditing is performed by Startegic Claims Direction with special claims audits frequently performed by the Pool's commercial reinsurers / insurers; insurance producer (broker) and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; and coverage counsel is provided by J. William Ashbaugh of Hackett Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend Pool cases, as well as the examinations by and services from the State Risk Manager and the State Auditor.

Financial Summary: The following constitute the most significant highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2010 through September 2011):

- Net Operating Income was realized of \$0.8 million, a 58% decrease from the prior year.
- Total Assets grew \$2.2 million (6%) to \$41.1 million. Current assets increased \$2.3 million (6%) while non-current assets decreased 4%.
- Total Claims Reserves for the Pool's direct reserving exposures increased to \$15.0 million, up 6.7% from the prior year. This total includes: \$5.6 million for losses in the coverage layer retained by the Pool, down 9.3%; \$8.6 million for the aggregated stop losses in the retained layers associated with the "corridor" program for automobile and general liabilities, up 22%; and \$0.8 million for unallocated loss adjustment expenses, down 5% from one year ago. NOTE: The corridor program

referenced is now five years old yet still not fully matured. Further, its occurrence coverage maximum was increased to one million dollars beginning with Py2010, up from the half million level that existed during the program's first three years, while the program's occurrence minimum remains the greater of the applicable member's deductible or \$100,000.

- Net Position (formerly referred to as Net Assets and also known as Members' Equity) increased \$.08 million to \$11.0 million as of September 30, 2011. Of the total, \$5.5 million is classified as Restricted Net Position — \$0.9 million to satisfy the State's solvency provisions (WAC 200.100.03001) plus \$4.6 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 \$4.4 million held as Non-Restricted Net Position is available for use as directed by the Pool's Board of Directors.

NOTE 9 – BUDGET VS. ACTUAL

Fund	Operation/Program Title	Personnel Expenses		Operating Expenses		Debt Services		Capital		2011		
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance
001	Total Current Expense Fund									-	-	-
030	County Code			2,000						2,000	-	2,000
034	Public (Indigent) Defense Services			340,000	308,801					340,000	308,801	31,199
034	Official Publications			1,000	766					1,000	766	234
034	Organizational Dues & Support Payments			50,228	41,043					50,228	41,043	9,185
061	Juvenile Detention ("Contract Beds")			105,000	91,129					105,000	91,129	13,871
100	County Assessor	482,493	482,493	77,896	73,919			12,153	12,153	572,542	568,565	3,977
200	County Auditor	215,941	209,655	123,115	122,180					339,056	331,835	7,221
301	County Commissioners	285,919	285,903	26,505	26,149					312,424	312,053	371
302	Cooperative Extension Services	38,281	32,252	23,910	23,596					62,191	55,848	6,343
303	Civil Service Commission	12,204	11,723	4,510	3,542					16,714	15,265	1,449
305	Interfund Support			1,013,257	1,013,257					1,013,257	1,013,257	-
311	General Facilities	127,385	127,114	319,862	319,861					447,247	446,975	272
312	County Parks	-		29,261	24,340			5,000		34,261	24,340	9,921
313	Telecommunications	-		87,180	87,180					87,180	87,180	-
34X	Dept. of Gen. Administration	147,502	128,091	25,196	21,074					172,698	149,165	23,533
400	County Clerk	234,147	233,019	31,358	27,907			-		265,505	260,926	4,579
510	North (Willapa) District Court	206,390	203,204	18,524	16,929					224,914	220,133	4,781
560	South (Peninsula) District Court	251,803	246,161	25,423	23,048					277,227	269,209	8,017
600	Superior Court	280,462	280,462	108,851	98,711					389,313	379,173	10,140
700	County Prosecuting Attorney	666,749	626,990	85,690	72,489					752,439	699,479	52,960
801	Law Enforcement Services	1,183,518	1,146,658	251,057	249,586			35,000	34,945	1,469,575	1,431,189	38,386
802	Correction Services	947,888	853,370	241,385	205,602					1,189,273	1,058,972	130,301
803	Communications	-		53,938	53,938					53,938	53,938	(0)
900	County Treasurer	259,806	259,805	51,860	51,408					311,666	311,213	453
101	County Fair Fund	38,592	38,517	70,053	69,104	1,786	1,786	4,633	3,500	115,064	112,907	2,157
102	Emergency Management (PCEMA) Fund	71,268	71,268	153,192	72,645	-	-	-	-	224,460	143,913	80,547
103	Law Library Fund	-		10,000	9,998	-	-	-	-	10,000	9,998	2
104	Road Fund Public Works M & O	1,779,394	1,760,801	2,612,210	2,516,538	-	-	965,000	749,516	5,356,604	5,026,855	329,749
104	Traffic Law Enforcement	245,772	245,768	46,745	46,745	-	-	-	-	292,517	292,513	4
105	Veterans' Relief Fund	2,495	2,495	11,060	4,741	-	-	-	-	13,555	7,236	6,319
106	Tourist Development Fund	12,893	12,893	268,938	268,936	-	-	-	-	281,831	281,829	2
108	Flood Control Zone District No. 1 Fund	76,852	66,494	153,965	130,676	34,148	34,148	135,500		400,465	231,318	169,147
109	Vegetation Management (NW Ctrl.) Fund	191,512	185,138	118,699	125,073	-	-	64,340	64,340	374,551	374,551	0
110	Treasurer's O&M. Fund	20,845	20,845	34,634	28,741	-	-	-	-	55,479	49,586	5,893
111	Auditor's Operation & Maintenance Fund	64,311	51,971	42,491	42,420	-	-	-	-	106,802	94,391	12,410
112	Treasurer's REET Electronic Tech. Fund	5,484	5,484	17,446	17,446	-	-	-	-	22,930	22,930	0
116	Community Development Fund	782,063	750,948	499,086	332,499	-	-	-	-	1,281,149	1,083,447	197,702
117	Election Reserve Fund	116,497	94,578	78,420	58,476	-	-	6,293	5,591	201,210	158,645	42,565
118	Public Health & Human Services Fund	949,533	874,413	891,056	866,594	-	-	-	-	1,840,588	1,741,007	99,582
121	Coop. Extension Special Programs Fund	-		500	265	-	-	-	-	500	265	235
125	Cap. Improvements (0.25% REET) Fund	74,964	62,963	1,248,477	480,970	-	-	488,347	488,347	1,811,789	1,032,280	779,509
126	Public Facilities Improvements Fund	-		400,000	218,376	-	-	-	-	400,000	218,376	181,624
127	PC Low-Income Assistance Fund	-		98,500	49,020	-	-	-	-	98,500	49,020	49,480
128	Shellfish On-Site Sewage Program Fund	-		100,000		-	-	-	-	100,000	-	100,000
132	Special Investigations Fund	200,627	176,157	25,702	22,110	-	-	-	-	226,329	198,267	28,062
136	Juvenile Court Services Fund	369,969	360,119	86,589	70,899	-	-	-	-	456,558	431,018	25,540
138	Courts Special Account Fund	10,067	10,067	874	374	-	-	-	-	10,941	10,441	500
160	PACCOM (E-911) Fund	961,639	930,639	154,243	137,632	-	-	63,000		1,178,882	1,068,271	110,611
191	BECCA Reserve Fund	31,892	31,892	15,946	15,946	-	-	-	-	47,838	47,838	-
197	Cumulative Reserve Fund	2,074	2,074	274,149	216,480	-	-	21,207	21,207	297,430	239,761	57,669
208	2008 LTGO Bond Redemption Fund	-		-		340,559	340,559	-	-	340,559	340,559	0
403	Eklund Park Sewer Fund	-		7,354	468	17,168	17,168	-	-	24,522	17,636	6,886
502	Equipment Rental & Revolving Fund	486,877	477,407	1,578,332	853,652	-	-	517,715	516,323	2,582,924	1,847,382	735,541
522	Payroll Internal Services Fund	2,162,267	1,746,582	188,035	64,996	-	-	-	-	2,350,302	1,811,578	538,724
531	Risk Management Fund	126,764	113,161	450,700	411,285	-	-	-	-	577,464	524,446	53,018

NOTE 10 -- Reserve Fund Balance

Fund	Amount Reserved	Reason Reserved
101	\$73,464	Maintenance and operation of Pacific County Fair
102	\$12,254	Emergency Management functions as defined in RCW 38.52.010
103	\$7,615	Law Library as defined in RCW 27.24.070
104	\$4,797,424	Roads Maintenance as defined in RCW 36.82.010
105	\$52,165	Veteran Relief as defined in RCW 73.08.080
106	\$446,870	Tourism Development as defined in RCW 67.28.181
108	\$549,814	Maintenance and operation of the Flood Control District
109	\$110,201	Vegetation Management as defined in RCW 17.10.240
110	\$135,275	Treasurer's Operation and Maintenance as defined in RCW 84.56.020
111	\$133,598	Auditors's Operation and Maintenance as defined in RCW 36.22.170
112	\$104,330	Treasurer's REET as defined in RCW 82.45.180
116	\$1,085,709	Managing Community Development regulations
117	\$176,226	Elections as defined in RCW 36.33.200
118	\$131,473	Health as defined in RCW 82.14.460
121	\$632	Provide education opportunities to interested individuals
127	\$357,944	Low Income Assistance as defined by RCW 43.185.060
128	\$100,000	Per Grant requirements of Septic systems
132	\$34,613	Drug enforcement activities
136	\$15,531	Juvenile as restricted per grant requirements
138	\$20,141	Court costs as defined by RCW 36.18.016 and 26.12.240
160	\$241,697	E911 as defined by RCW 38.52.510
191	\$58,470	Becca Court costs as restricted per grant requirements
403	\$13,781	Reserved for use of Eklund Park Loan Payment
301	\$815,886	Capital Improvements as defined by RCW 82.46.010 and 82.46.035
302	\$340,719	Capital Improvements in the community as defined by RCW 82.14.370
522	\$932,486	Compensated Absence and LEOFF Liability
531	\$32,929	Judgements and Claims

NOTE 11 – OTHER DISCLOSURES

Prior Period adjustments for funds for vouchers payable (13th month) not included in 2010, Tourism Development \$21,586, Health Department \$85,606, Local Option Tax Spec Rev \$19,311, PC Low Income Assistance \$1,822, Special Investigation \$5,376, PACCOM \$7,609, Cumulative Reserve \$23,837 these expenditures did not put any of these funds over budget in 2010.

PACIFIC COUNTY
SCHEDULE OF LIABILITIES
For the Year Ended December 31, 2011

ID No.	Date of Original Issuance	Date of Maturity	Beginning Outstanding Debt 01/01/11 (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 12/31/11
251.11 GO Bond Bank of Pacific 2008	5/27/2008	11/1/2028	4,172,961.49	-	154,972.71		208,000,000	4,017,988.78
263.81 Eklund Park	9/1/1996	9/1/2036	260,991.21	-	5,580.79		403,000,200	255,410.42
263.81 PWTF FCDZ #1	9/17/2002	9/17/2022	388,421.05	-	32,368.42		108,000,200	356,052.63
263.81 Pac County Fair USDA Loan 07	11/1/2007	11/1/2047	33,692.78	-	400.25		101,100,201	33,292.53
259.11 Compensated Absences			932,485.59	518,796.99	519,634.53	522	522,200.	931,648.05
TOTALS			5,788,552.12	518,796.99	712,956.70			5,594,392.41

PACIFIC COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended, December 31, 2011

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	153,346.02	-	153,346.02	
	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C14959	175.00	-	175.00	
	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	C14959	42,477.07	-	42,477.07	
	Community Facilities Loans and Grants	10.766	WA0250000	11,300.00	-	11,300.00	
				207,298.09	-	207,298.09	
U.S. Department of Commerce (NOAA) Passed-Through State of Washington:	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	07-1473	29,085.98	-	29,085.98	
				29,085.98	-	29,085.98	
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		4,466.82	4,466.82	6
	Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810	304283		94,381.37	94,381.37	6
Department of Justice:Drug Enforcement Administration Passed-Through Washington State Patrol:	Domestic Cannabis Eradicator/Suppression Program	16.000	C090943FED	21,251.61	-	21,251.61	
	Domestic Cannabis Eradicator/Suppression Program	16.000	C110858FED	2,376.72	-	2,376.72	
Department of Justice:Office of Juvenile Justice and Delinquency Prevention	Juvenile Accountability Block Grants	16.523	0663-05691-07	11,200.00	-	11,200.00	
				34,828.33	-	34,828.33	
U.S. Department of Housing and Urban Development Passed-Through State of Washington:	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	09-64009-030	462,290.97	-	462,290.97	
	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	10-64100-025	125,811.21	-	125,811.21	
				588,102.18	-	588,102.18	
U.S. Department of Education Passed-Through State of Washington:	Safe and Drug-Free Schools and Communities_State Grants	84.186	M10-34002-125	7,921.27	-	7,921.27	
				7,921.27	-	7,921.27	

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

PACIFIC COUNTY, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended, December 31, 2011

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 Health & Human Services U.S. Department of Health & Human Services :Centers for Disease Control and Prevention	Drug-Free Communities Support Program Grants	93.276	1H795SPO15713-01	-	123,808.09	123,808.09	09
	Preventative Health and Health Services Block Grant	93.991	C14959	37,631.97	-	37,631.97	4
	Public Health Emergency Preparedness	93.069	C14959	92,662.72	-	92,662.72	4
	Immunization Cooperative Agreements	93.268	C14959	14,900.00	-	14,900.00	6
	ARRA-Immunizations	93.712	C14959	2,000.00	-	2,000.00	6
U.S. Department of Health & Human Services:Office of the Secretary	National Bioterrorism Hospital Preparedness Program	93.889	C14959	4,116.73	-	4,116.73	4
	Block Grants for Prevention and Treatment of Substance Abuse	93.959		36,209.26	-	36,209.26	4
Department of Health & Human Services: Substance Abuse and Mental Health Services Administration	Block Grants for Prevention and Treatment of Substance Abuse	93.959		14,774.76	-	14,774.76	4
	Medical Reserve Corps Small Grants Program	93.008	MRC SG061001-03	5,000.00	-	5,000.00	4
U.S. Department of Health & Human Services Passed-Through Washington Department of Health:	Family Planning Services	93.217	C 14959	14,931.00	-	14,931.00	4
	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	C 14959	3,370.82	-	3,370.82	4
	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	C 14959	30,000.00	-	30,000.00	4
	Medical Assistance Program	93.778	0563-75740	157,248.42	-	157,248.42	4
	Medical Assistance Program	93.778	0563-75740	56,429.75	-	56,429.75	4
	Medical Assistance Program	93.778	0563-75741	7,491.53	-	7,491.53	4
	Medical Assistance Program	93.778	C 14595	2,500.00	-	2,500.00	4
	Medical Assistance Program	93.778		7,320.86	-	7,320.86	4
	Promoting Safe and Stable Families	93.556	0963-66538	4,471.81	-	4,471.81	4
	Maternal and Child Health Services Block Grant to the States	93.994	C 14959	10,209.50	-	10,209.50	4
	Maternal and Child Health Services Block Grant to the States	93.994	C14959	5,022.78	-	5,022.78	4
	Maternal and Child Health Services Block Grant to the States	93.994	C14595	24,899.42	-	24,899.42	4
	Child Support Enforcement	93.563	75-1501-0-1-609	16,016.00	-	16,016.00	4
	Voting Access for Individuals with Disabilities, Grants to States	93.617	G-2849	7,325.55	-	7,325.55	4
	Department of Homeland Security Passed Through Washington State Military Department:	Homeland Security Grant Program	97.067	E10-225 SHSP	66,897.12	-	66,897.12
Emergency Management Performance Grants	97.042	E10-266 EMPG	5,495.25	-	5,495.25	4	
Emergency Management Performance Grants	97.042	E12-042 EMPG	2,125.83	-	2,125.83	4	
Homeland Security Grant Program	97.067	E12-042 EMPG	19,937.00	-	19,937.00	4	
			94,455.20	-	94,455.20		
Department of Transportation Federal Highway Administration (FHWA) Passed Through Washington State Department of Transportation:	Highway Planning and Construction	20.205	STPR-M250(003) LA-7275	8,983.00	-	8,983.00	4
	Highway Planning and Construction	20.205	HSP1-000S(248) LA-7387	96,814.00	-	96,814.00	4
	State and Community Highway Safety	20.600		3,366.81	-	3,366.81	4
	Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		37,371.10	-	37,371.10	4
			148,534.91	-	148,534.91		
TOTAL FEDERAL ASSISTANCE				1,664,849	222,656	1,887,505.12	

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

PACIFIC COUNTY, WASHINGTON

NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE for the year ended December 31, 2011

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 2011 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- AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009

Expenditures for this program were funded by ARRA



ABOUT THE STATE AUDITOR'S OFFICE

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.

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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.

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