

ANNUAL REPORT

PEND OREILLE COUNTY

0150
MCAG No.

Submitted pursuant to RCW 43.09.230
to the
STATE AUDITORS OFFICE

FOR THE FISCAL YEAR ENDED DECEMBER, 2011

Certified correct this 28th day of May, 2011, to the best of my knowledge and belief:

GOVERNMENT INFORMATION:

Official Mailing Address: PO Box 5015 Newport, WA 99156

Official Web Site Address: pendoreilleco.org

PREPARER INFORMATION and CERTIFICATION:

Preparer Name and Title: Jill Shacklett, Deputy Auditor; Terri Miller, Treasurer
Tina Olson, Deputy Auditor

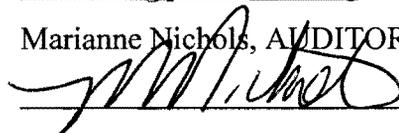
Contact Phone Number: (509)447-6474

Contact Fax Number: (509)447-2475

Contact E-mail Address: mnichols@pendoreille.org

Contact: Marianne Nichols, AUDITOR

Signature



PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		Total for All Funds	001	101
			CURRENT EXPENSE	ARTS & TOURISM
		Total Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$5,985,115	\$1,427,147	\$57,114
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	
Revenues and Other Sources				
310	Taxes	\$4,663,328	2,972,796	37,578
320	Licenses and Permits	\$179,735	179,735	0
330	Intergovernmental	\$10,450,934	3,945,888	0
340	Charges for Goods and Services	\$2,471,169	416,623	0
350	Fines and Penalties	\$136,045	136,045	0
360	Miscellaneous	\$1,628,613	89,945	975
370	Capital Contributions	\$0	0	0
390	Other Financing Sources	\$1,644,040	480,003	0
Total Revenues and Other Financing Sources		21,173,863	8,221,035	38,553
Total Resources		27,158,978	9,648,182	95,667
Operating Expenditures:				
510	General Government	\$4,422,974	3,868,369	0
520	Public Safety	\$4,376,143	3,757,102	0
530	Physical Environment	\$1,251,280	264,465	0
540	Transportation	\$5,049,626	0	0
550	Economic Environment	\$602,919	285,218	50,331
560	Mental and Physical Health	\$1,611,576	224,352	0
570	Culture and Recreational	\$232,594	84,488	0
Total Operating Expenditures		17,547,111	8,483,994	50,331
591-593	Debt Service	\$351,120	270,225	0
594-595	Capital Outlay	\$3,054,626	12,359	0
Total Expenditures		20,952,858	8,766,577	50,331
597-599	Other Financing Uses	\$518,302	13,302	0
Total Expenditures and Other Financing Uses		21,471,160	8,779,880	50,331
Excess (Deficit) of Resources Over Uses		5,687,818	868,302	45,336
380	Nonrevenues (Except 384)	\$738,473	197,897	0
580	Nonexpenditures (Except 584)	\$676,868	164,133	0
Ending Cash and Investments:		\$5,749,423	\$902,066	\$45,336
508.10	Reserved 1/	\$824,481	802,338	0
508.80	Unreserved 1/	\$4,924,942	\$99,728	\$45,336

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		102	103	104
		COUNSELING SERVICES	CRIME VICTIMS	FAIR
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$1,133,809	\$9,662	\$83,811
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	\$0
Revenues and Other Sources				
310	Taxes	24,127	0	0
320	Licenses and Permits	0	0	0
330	Intergovernmental	1,155,297	0	34,427
340	Charges for Goods and Services	85,465	6,864	32,748
350	Fines and Forfeits	0	0	0
360	Miscellaneous	1,578	0	26,132
370	Capital Contributions	0	0	0
390	Other Financing Sources	554	0	0
Total Revenues and Other Financing Sources		1,267,021	6,864	93,307
Total Resources		2,400,830	16,526	177,118
Operating Expenditures:				
510	General Government	0	10,695	0
520	Public Safety	0	0	0
530	Physical Environment	0	0	0
540	Transportation	0	0	0
550	Economic Environment	0	0	0
560	Mental and Physical Health	1,387,224	0	0
570	Culture and Recreation	0	0	94,977
Total Operating Expenditures		1,387,224	10,695	94,977
591-593	Debt Service	0	0	0
594-595	Capital Outlay	3,379	0	0
Total Expenditures		1,390,602	10,695	94,977
597-599	Other Financing Uses	0	0	0
Total Expenditures and Other Financing Uses		1,390,602	10,695	94,977
Excess (Deficit) of Resources Over Uses		1,010,227	5,831	82,141
380	Nonrevenues (Except 384)	11,888	0	4,982
580	Nonexpenditures (Except 584)	1,778	0	7,553
Ending Cash and Investments:		\$1,020,336	\$5,831	\$79,570
508.10	Reserved 1/	22,143		
508.80	Unreserved 1/	\$998,193	\$5,831	\$79,570

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		105	106	107
		LAW LIBRARY	AS400 CUM RES	2009 TECH PROJ
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$12,940	\$0	\$97,140
	Prior Period Adjustments (388.80 and 588.80)	\$0		\$0
Revenues and Other Sources				
310	Taxes	0		0
320	Licenses and Permits	0		0
330	Intergovernmental	0		54,836
340	Charges for Goods and Services	3,919		0
350	Fines and Forfeits	0		0
360	Miscellaneous	0		0
370	Capital Contributions	0		0
390	Other Financing Sources	0		0
Total Revenues and Other Sources		3,919	0	54,836
Total Resources		16,859	0	151,976
Operating Expenditures:				
510	General Government	7,481		0
520	Public Safety	0		0
530	Physical Environment	0		0
540	Transportation	0		0
550	Economic Environment	0		0
560	Mental and Physical Health	0		0
570	Culture and Recreation	0		0
Total Operating Expenditures		7,481	0	0
591-593	Debt Service	0		25,530
594-595	Capital Outlay	0		87,539
Total Expenditures		7,481	0	113,069
597-599	Other Financing Uses	0		0
Total Expenditures and Other Financing Uses		7,481	0	113,069
Excess (Deficit) of Resources Over Uses		9,379	0	38,907
380	Nonrevenues (Except 384)	0		0
580	Nonexpenditures (Except 584)	0		0
Ending Cash and Investments:		\$9,379	\$0	\$38,907
508.10	Reserved 1/			
508.80	Unreserved 1/	\$9,379	\$0	\$38,907

The Accompanying Notes Are An Integral Part Of This Statement.

**PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2011

BARS CODE		110	111	112
		PARK	PATHS & TRAILS	ROAD
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$1,688	\$100,389	\$412,496
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	
Revenues and Other Sources				
310	Taxes	0	0	1,362,474
320	Licenses and Permits	0	0	0
330	Intergovernmental	0	7,651	4,472,614
340	Charges for Goods and Services	0	0	297,173
350	Fines and Forfeits	0	0	0
360	Miscellaneous	2,092	0	1,702
370	Capital Contributions	0	0	0
390	Other Financing Sources	340,659	0	3,973
Total Revenues and Other Financing Sources		342,751	7,651	6,137,936
Total Resources		344,439	108,040	6,550,432
Operating Expenditures:				
510	General Government	0	0	0
520	Public Safety	0	0	0
530	Physical Environment	0	0	0
540	Transportation	0	0	3,774,901
550	Economic Environment	0	0	0
560	Mental and Physical Health	0	0	0
570	Culture and Recreation	38,153	0	0
Total Operating Expenditures		38,153	0	3,774,901
591-593	Debt Service	0	0	0
594-595	Capital Outlay	0	0	2,416,147
Total Expenditures		38,153	0	6,191,048
597-599	Other Financing Uses	0	0	0
Total Expenditures and Other Financing Uses		38,153	0	6,191,048
Excess (Deficit) of Resources Over Uses		306,286	108,040	359,384
380	Nonrevenues (Except 384)	0	0	28,054
580	Nonexpenditures (Except 584)	0	0	20,644
Ending Cash and Investments:		\$306,286	\$108,040	\$366,794
508.10	Reserved 1/			
508.80	Unreserved 1/	\$306,286	\$108,040	\$366,794

The Accompanying Notes Are An Integral Part Of This Statement.

**PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2011

BARS CODE		113	114	116
		Milfoil Control	Veteran's Assistance	Timber Sales
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$81,058	\$37,945	\$276,863
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	\$0
Revenues and Other Sources				
310	Taxes	0	10,855	0
320	Licenses and Permits	0	0	0
330	Intergovernmental	2,129	1	0
340	Charges for Goods and Services	2,499	0	0
350	Fines and Penalties	0	0	0
360	Miscellaneous	0	0	0
370	Capital Contributions	0	0	0
390	Other Financing Sources	0	0	355,821
Total Revenues and Other Financing Sources		4,628	10,856	355,821
Total Resources		85,686	48,801	632,684
Operating Expenditures:				
510	General Government	0	0	0
520	Public Safety	0	0	0
530	Physical Environment	86,264	0	55,894
540	Transportation	0	0	0
550	Economic Environment	0	10,902	0
560	Mental and Physical Health	0	0	0
570	Culture and Recreational	0	0	0
Total Operating Expenditures		86,264	10,902	55,894
591-593	Debt Service	0	0	0
594-595	Capital Outlay	0	0	0
Total Expenditures		86,264	10,902	55,894
597-599	Other Financing Uses	0	0	505,000
Total Expenditures and Other Financing Uses		86,264	10,902	560,894
Excess (Deficit) of Resources Over Uses		(578)	37,899	71,789
380	Nonrevenues (Except 384)	2,625	0	7,458
580	Nonexpenditures (Except 584)	0	0	7,458
Ending Cash and Investments:		\$2,047	\$37,899	\$71,789
508.10	Reserved 1/			
508.80	Unreserved 1/	\$2,047	\$37,899	\$71,789

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		117	118	119
		Treasurer's REET	Treasurer O&M	Auditor O&M
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$76,934	\$9,410	\$163,930
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	\$0
Revenues and Other Sources				
310	Taxes	0	0	0
320	Licenses and Permits	0	0	0
330	Intergovernmental	0	0	44,910
340	Charges for Goods and Services	0	2,080	7,994
350	Fines and Forfeits	0	0	0
360	Miscellaneous	131	0	0
370	Capital Contributions	0	0	0
390	Other Financing Sources	0	0	0
Total Revenues and Other Financing Sources		131	2,080	52,903
Total Resources		77,065	11,490	216,834
Operating Expenditures:				
510	General Government	0	2,684	86,916
520	Public Safety	0	0	0
530	Physical Environment	0	0	0
540	Transportation	0	0	0
550	Economic Environment	0	0	0
560	Mental and Physical Health	0	0	0
570	Culture and Recreation	0	0	0
Total Operating Expenditures		0	2,684	86,916
591-593	Debt Service	0	0	0
594-595	Capital Outlay	0	0	12,408
Total Expenditures		0	2,684	99,324
597-599	Other Financing Uses	0	0	
Total Expenditures and Other Financing Uses		0	2,684	99,324
Excess (Deficit) of Resources Over Uses		77,065	8,807	117,510
380	Nonrevenues (Except 384)	0	0	
580	Nonexpenditures (Except 584)	0	0	
Ending Cash and Investments:		\$77,065	\$8,807	\$117,510
508.10	Reserved ^{1/}			
508.80	Unreserved ^{1/}	\$77,065	\$8,807	\$117,510

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		121	122	123
		ELECTION RESERVE	Clerk's Collection	Trial Court Improvement
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$9,120	\$14,070	\$37,660
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	\$0
Revenues and Other Sources				
310	Taxes	0	0	0
320	Licenses and Permits	0	0	0
330	Intergovernmental	0	1,838	15,138
340	Charges for Goods and Services	0	18,121	0
350	Fines and Forfeits	0	0	0
360	Miscellaneous	0	0	1,971
370	Capital Contributions	0	0	0
390	Other Financing Sources	0	0	0
Total Revenues and Other Sources		0	19,959	17,109
Total Resources		9,120	34,029	54,768
Operating Expenditures:				
510	General Government	0	26,131	950
520	Public Safety	0	0	0
530	Physical Environment	0	0	0
540	Transportation	0	0	0
550	Economic Environment	0	0	0
560	Mental and Physical Health	0	0	0
570	Culture and Recreation	0	0	0
Total Operating Expenditures		0	26,131	950
591-593	Debt Service	0	0	0
594-595	Capital Outlay	0	0	2,811
Total Expenditures		0	26,131	3,761
597-599	Other Financing Uses	0	0	0
Total Expenditures and Other Financing Uses		0	26,131	3,761
Excess (Deficit) of Resources Over Uses		9,120	7,898	51,008
380	Nonrevenues (Except 384)		650	0
580	Nonexpenditures (Except 584)	0	0	0
Ending Cash and Investments:		\$9,120	\$8,548	\$51,008
508.10	Reserved 1/			
508.80	Unreserved 1/	\$9,120	\$8,548	\$51,008

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE		124	126	127
		Domestic Violence	Drug Enforcement	Emergency 911 Comm.
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$0	\$43,337	\$26,100
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	\$0
Revenues and Other Sources				
310	Taxes	0	0	98,778
320	Licenses and Permits	0	0	0
330	Intergovernmental	0	46,048	548,343
340	Charges for Goods and Services	0	0	0
350	Fines and Forfeits	0	0	0
360	Miscellaneous	0	1,900	55
370	Capital Contributions	0	0	0
390	Other Financing Sources	0	0	0
Total Revenues and Other Financing Sources		0	47,949	647,176
Total Resources		0	91,286	673,276
Operating Expenditures:				
510	General Government	0	0	0
520	Public Safety	0	85,364	533,677
530	Physical Environment	0	0	0
540	Transportation	0	0	0
550	Economic Environment	0	0	0
560	Mental and Physical Health	0	0	0
570	Culture and Recreation	0	0	0
Total Operating Expenditures		0	85,364	533,677
591-593	Debt Service	0	0	0
594-595	Capital Outlay	0	0	124,685
Total Expenditures		0	85,364	658,362
597-599	Other Financing Uses	0	0	0
Total Expenditures and Other Financing Uses		0	85,364	658,362
Excess (Deficit) of Resources Over Uses		0	5,921	14,915
380	Nonrevenues (Except 384)	0	503	138,521
580	Nonexpenditures (Except 584)	0	3	134,146
Ending Cash and Investments:		\$0	\$6,421	\$19,290
508.10	Reserved 1/			
508.80	Unreserved 1/	\$0	\$6,421	\$19,290

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		128	130	131
		Extension Education	GROWTH MANAGEMENT	Low Income Housing/ 2060
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$28,357	\$4,842	\$22,003
	Prior Period Adjustments (388.80 and 588.80)			
Revenues and Other Sources				
310	Taxes	0	0	0
320	Licenses and Permits	0	0	0
330	Intergovernmental	0	11,963	0
340	Charges for Goods and Services	12,225	0	14,045
350	Fines and Forfeits	0	0	0
360	Miscellaneous	3,799	10,000	0
370	Capital Contributions	0	0	0
390	Other Financing Sources	0	13,302	0
Total Revenues and Other Sources		16,024	35,265	14,045
Total Resources		44,381	40,107	36,048
Operating Expenditures:				
510	General Government	0	0	0
520	Public Safety	0	0	0
530	Physical Environment	0	0	0
540	Transportation	0	0	0
550	Economic Environment	0	38,042	15,527
560	Mental and Physical Health	0	0	0
570	Culture and Recreation	14,977	0	0
Total Operating Expenditures		14,977	38,042	15,527
591-593	Debt Service	0	0	0
594-595	Capital Outlay	0	0	0
Total Expenditures		14,977	38,042	15,527
597-599	Other Financing Uses	0	0	0
Total Expenditures and Other Financing Uses		14,977	38,042	15,527
Excess (Deficit) of Resources Over Uses		29,404	2,065	20,520
380	Nonrevenues (Except 384)	626	0	0
580	Nonexpenditures (Except 584)	626	0	0
Ending Cash and Investments:		\$29,404	\$2,065	\$20,520
508.10	Reserved 1/			
508.80	Unreserved 1/	\$29,404	\$2,065	\$20,520

The Accompanying Notes Are An Integral Part Of This Statement.

**PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2011

BARS CODE		132	134	201
		Homeless Program/2163	Public Facilities	County Bond Fund
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$124,527	\$407,197	\$0
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	\$0
Revenues and Other Sources				
310	Taxes	0	93,620	0
320	Licenses and Permits	0	0	0
330	Intergovernmental	20,000	0	0
340	Charges for Goods and Services	61,035	0	0
350	Fines and Forfeits	0	0	0
360	Miscellaneous	0	0	0
370	Capital Contributions	0	0	0
390	Other Financing Sources	0	0	0
Total Revenues and Other Financing Sources		81,035	93,620	0
Total Resources		205,562	500,817	0
Operating Expenditures:				
510	General Government	0	0	0
520	Public Safety	0	0	0
530	Physical Environment	0	0	0
540	Transportation	0	0	0
550	Economic Environment	90,467	112,432	0
560	Mental and Physical Health	0	0	0
570	Culture and Recreation	0	0	0
Total Operating Expenditures		90,467	112,432	0
591-593	Debt Service	0	0	0
594-595	Capital Outlay	0	18,904	0
Total Expenditures		90,467	131,336	0
597-599	Other Financing Uses	0	0	0
Total Expenditures and Other Financing Uses		90,467	131,336	0
Excess (Deficit) of Resources Over Uses		115,095	369,481	0
380	Nonrevenues (Except 384)	0	4,030	325,590
580	Nonexpenditures (Except 584)	0	0	325,590
Ending Cash and Investments:		\$115,095	\$373,511	\$0
508.10	Reserved 1/			
508.80	Unreserved 1/	\$115,095	\$373,511	\$0

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		301	463	501
		Capital Projects	Solid Waste	RISK MANAGEMENT
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$338,589	\$110,224	\$58,654
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	\$0
Revenues and Other Sources				
310	Taxes	63,101	0	0
320	Licenses and Permits	0	0	0
330	Intergovernmental	0	89,852	0
340	Charges for Goods and Services	270	759,189	0
350	Fines and Forfeits	0	0	0
360	Miscellaneous	0	62,493	6,128
370	Capital Contributions	0	0	0
390	Other Financing Sources	0	0	391,022
Total Revenues and Other Sources		63,371	911,534	397,150
Total Resources		401,960	1,021,758	455,804
Operating Expenditures:				
510	General Government	0	0	315,898
520	Public Safety	0	0	0
530	Physical Environment	0	844,657	0
540	Transportation	0	0	0
550	Economic Environment	0	0	0
560	Mental and Physical Health	0	0	0
570	Culture and Recreation	0	0	0
Total Operating Expenditures		0	844,657	315,898
591-593	Debt Service	55,365	0	0
594-595	Capital Outlay	75,701	7,976	0
Total Expenditures		131,066	852,633	315,898
597-599	Other Financing Uses	0	0	0
Total Expenditures and Other Financing Uses		131,066	852,633	315,898
Excess (Deficit) of Resources Over Uses		270,893	169,125	139,906
380	Nonrevenues (Except 384)	0	15,213	376
580	Nonexpenditures (Except 584)	0	14,334	0
Ending Cash and Investments:		\$270,893	\$170,004	\$140,282
508.10	Reserved 1/			
508.80	Unreserved 1/	\$270,893	\$170,004	\$140,282

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS CODE		502	504	505
		ER&R	Unemployment Comp	ITS
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments		\$725,273	\$52,823	\$0
	Prior Period Adjustments (388.80 and 588.80)	\$0	\$0	\$0
Revenues and Other Sources				
310	Taxes	0	0	0
320	Licenses and Permits	0	0	0
330	Intergovernmental	0	0	6,886
340	Charges for Goods and Services	750,918	0	363,235
350	Fines and Forfeits	0	0	0
360	Miscellaneous	1,314,672	105,041	2,202
370	Capital Contributions	0	0	0
390	Other Financing Sources	58,706	0	25,000
Total Revenues and Other Financing Sources		2,124,295	105,041	397,323
Total Resources		2,849,569	157,864	397,323
Operating Expenditures:				
510	General Government	0	103,850	189,380
520	Public Safety	0	0	0
530	Physical Environment	0	0	0
540	Transportation	1,274,725	0	0
550	Economic Environment	0	0	0
560	Mental and Physical Health	0	0	0
570	Culture and Recreation	0	0	0
Total Operating Expenditures		1,274,725	103,850	189,380
591-593	Debt Service	0	0	0
594-595	Capital Outlay	292,717	0	94,082
Total Expenditures		1,567,442	103,850	283,462
597-599	Other Financing Uses	0	0	0
Total Expenditures and Other Financing Uses		1,567,442	103,850	283,462
Excess (Deficit) of Resources Over Uses		1,282,127	54,014	113,861
380	Nonrevenues (Except 384)	60	0	10,734
580	Nonexpenditures (Except 584)	602	0	10,734
Ending Cash and Investments:		\$1,281,585	\$54,014	\$113,861
508.10	Reserved 1/			
508.80	Unreserved 1/	\$1,281,585	\$54,014	\$113,861

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For The Year Ending December 31, 2011

	Total for All Funds	621 AUDITOR DOL	622 CSA Payee/Substance	623 DISTRICT CT Checking	624 SHERIFF CORRECTION Jail	625 Superior Ct Checking/Trusts
	Total Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	\$500,648	\$4,016	\$7,326	\$16,771	\$21,687	\$247,243
Prior Period Adjustments	\$0					
Revenue and Other Financing Sources	(\$25,780)	\$0	\$0	\$0	\$0	\$0
Total Resources	474,868	\$4,016	\$7,326	\$16,771	\$21,687	\$247,243
Expenditures And Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0
Excess (Deficit) of Resources Over Uses	474,868	\$4,016	\$7,326	\$16,771	\$21,687	\$247,243
Nonrevenues (Except 384)	\$6,055,088	\$1,225,447	\$781	\$514,540	\$123,955	\$370,234
Nonexpenditures (Except 584)	\$6,248,414	\$1,223,705	\$3,330	\$508,389	\$121,199	\$558,420
Ending Cash and Investments	\$281,542	\$5,758	\$4,777	\$22,922	\$24,443	\$59,057

The Accompanying Notes Are An Integral Part Of This Statement.

PEND OREILLE COUNTY
 FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For The Year Ending December 31, 2011

	632	675	679	682	683	685
	Advance Tax	Sheriff's Trust	State	Tax Foreclosure Suspense	Timber Tax Reserve	Treasurer's Suspense
	Actual Amount	Total Amount	Total Amount	Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	\$0	\$1,347	\$47,708	\$34,381	\$120,069	\$100
Prior Period Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
Revenue and Other Financing Sources	0	\$0	\$0	\$0	-\$25,780	\$0
Total Resources	0	\$1,347	\$47,708	\$34,381	\$94,289	\$100
Expenditures And Other Financing Uses	0	\$0	\$0	\$0	\$0	\$0
Excess (Deficit) of Resources Over Uses	0	\$1,347	\$47,708	\$34,381	\$94,289	\$100
Nonrevenues (Except 384)	0	\$14,131	\$3,801,385	\$4,644	\$0	-\$29
Nonexpenditures (Except 584)	0	\$13,941	\$3,814,786	\$4,644	\$0	\$0
Ending Cash and Investments	\$0	\$1,537	\$34,307	\$34,381	\$94,289	\$71

The Accompanying Notes Are An Integral Part Of This Statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pend Oreille 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.

Pend Oreille County was incorporated on March 1, 1911 and operates under the laws of the state of Washington applicable to a sixth class county. The county is a general purpose government and provides public safety, road maintenance and improvement, judicial administration, health and social services and general administrative services. The 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 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's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the county:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund (001)

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

Special Revenue Funds (100-199)

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the county.

Debt Service Funds (200-299)

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds (300-399)

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds (400-499)

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds (500-599)

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

FIDUCIARY FUND TYPES:

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

Private Purpose Funds (621-630)

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments

Agency Funds (631-699)

These funds are used to account assets that 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.

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

The county adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. 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 appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Appropriated Amounts	Supplemental Appropriation	Actual Expenditures	Variance
GENERAL FUND				
001-000-000	\$ 1,222,981.00	\$ 125,000.00	\$1,342,337.75	\$ 5,643.25
001-000-060	\$ 276,600.81		\$ 242,014.50	\$ 34,586.31
001-000-090	\$ 344,536.11	\$ 5,000.00	\$ 345,966.28	\$ 3,569.83
001-000-100	\$ 5,345.00		\$ 3,479.58	\$ 1,865.42
001-000-120	\$ 29,772.60	\$ 1,000.00	\$ 30,312.01	\$ 460.59
001-000-150	\$ 251,009.61		\$ 240,114.40	\$ 10,895.21
001-000-180	\$ 313,680.97	\$ 5,000.00	\$ 317,537.27	\$ 1,143.70
001-000-200	\$ 22,975.00	\$ 7,500.00	\$ 30,433.00	\$ 42.00
001-000-210	\$ 253,312.01	\$ 28,000.00	\$ 280,265.00	\$ 1,047.01
001-000-240	\$ 357,366.72	\$	\$ 329,171.03	\$ 28,195.69

001-000-285	\$ 35,900.00	\$ 15,000.00	\$ 49,611.81	\$ 1,288.19
001-000-300	\$ 236,840.11		\$ 209,273.11	\$ 27,567.00
001-000-330	\$ 272,337.00		\$ 188,113.85	\$ 84,223.15
001-000-350	\$ 77,440.00	\$ 8,000.00	\$ 84,487.94	\$ 952.06
001-000-380	\$ 26,650.00		\$ 24,531.93	\$ 2,118.07
001-000-390	\$ 759,670.00		\$ 137,588.52	\$622,081.48
001-000-420	\$ 741,831.98	\$ 61,000.00	\$ 802,118.37	\$ 713.61
001-000-450	\$ 265,406.77		\$ 252,879.57	\$ 12,527.20
001-000-455	\$ 21,360.00		\$ 19,458.94	\$ 1,901.06
001-000-475	\$ 276,331.38		\$ 264,470.66	\$ 11,860.72
001-000-480	\$ 45,833.69	\$ 9,000.00	\$ 53,386.30	\$ 1,447.39
001-000-510	\$ 277,757.82	\$ 12,000.00	\$ 285,662.92	\$ 4,094.90
001-000-520	\$ 101,626.41	\$ 7,500.00	\$ 107,811.78	\$ 1,314.63
001-000-540	\$ 800,736.47		\$ 766,275.30	\$ 34,461.17
001-000-600	\$1,901,445.32		\$1,888,602.99	\$ 12,842.33
001-000-660	\$ 358,250.00		\$ 328,895.33	\$ 29,354.67
001-000-690	\$ 298,630.47	\$ 1,500.00	\$ 299,912.72	\$ 217.75
Total General Fund	\$ 9,575,627.25	\$ 285,500.00	\$ 8,924,712.86	\$936,414.39
101-000-000	\$ 25,000.00	\$ 30,000.00	\$ 50,331.22	\$ 4,668.78
102-000-000	\$1,289,602.00	\$ 120,000.00	\$1,392,380.76	\$ 108,503.03
102-000-060	\$ -	\$ -	\$ -	\$ 0
103-000-000	\$ 11,213.34	\$ -	\$ 10,695.27	\$ 518.07
104-000-000	\$ 136,000.00	\$ -	\$ 102,530.19	\$ 33,469.81
104-000-060	\$ -	\$ -	\$ -	\$ -
105-000-000	\$ 11,306.04	\$ -	\$ 7,480.60	\$ 3,825.44
107-000-000	\$ 97,140.00	\$ 50,000.00	\$ 113,069.37	\$ 34,070.63
110-000-000	\$ 28,000.00	\$ 20,000.00	\$ 38,153.06	\$ 9,846.94
113-000-060	\$ 61,727.00	\$ -	\$ 61,726.98	\$.02
113-000-000	\$ 21,000.00	\$ 5,000.00	\$ 24,537.38	\$ 1,462.62
111-000-000	\$ -	\$ -	\$ -	\$ -
112-000-000	\$5,735,380.78	\$ 500,000.00	\$6,211,691.74	\$ 23,689.04
114-000-000	\$ 13,500.00	\$ 5,000.00	\$ 10,901.82	\$ 7,598.18
116-000-000	\$ 539,842.63	\$ 80,000.00	\$ 568,351.81	\$ 51,490.82
117-000-000	\$ 35,000.00	\$ -	\$ 0	\$ 35,000.00
118-000-000	\$ 11,600.00	\$ -	\$ 2,683.95	\$ 8,916.05
119-000-000	\$ 97,980.80	\$ 27,000.00	\$ 99,323.91	\$ 25,656.89
121-000-000	\$ -	\$ -	\$ -	\$ -
122-000-000	\$ 25,699.67	\$ 2,000.00	\$ 26,130.54	\$ 1,569.13
123-000-000	\$ 19,000.00	\$ -	\$ 3,760.51	\$ 15,239.49
124-000-000	\$ -	\$ -	\$ -	\$ -
126-000-000	\$ 106,950.53	\$ -	\$ 85,367.56	\$ 21,582.97
127-000-000	\$ 683,759.00	\$ 125,000.00	\$ 792,507.75	\$ 16,251.25
128-000-000	\$ 8,675.00	\$ 7,500.00	\$ 15,602.50	\$ 572.50
130-000-000	\$ 4,842.00	\$ 21,900.00	\$ 38,041.90	\$ 2,000.10
131-000-000	\$ 15,000.00	\$ 5,000.00	\$ 15,527.42	\$ 4,472.58
132-000-000	\$ 64,000.00	\$ 30,000.00	\$ 90,467.01	\$ 1,532.99
134-000-000	\$ 80,400.00	\$ 51,000.00	\$ 125,217.83	\$ 6,182.17
301-000-000	\$ 266,000.00	\$ -	\$ 131,066.22	\$ 134,933.78
463-000-000	\$ 958,753.16	\$ -	\$ 866,967.15	\$ 91,786.01
501-000-000	\$ 320,670.00	\$ -	\$ 315,898.17	\$ 4,771.83
502-000-000	\$2,363,347.08	\$ -	\$1,568,044.25	\$ 795,302.83
504-000-000	\$ 50,000.00	\$ 55,000.00	\$ 103,850.41	\$ 1,149.59
505-000-000	\$ 312,392.61	\$ -	\$ 294,196.19	\$ 18,196.42

Budgeted amounts are authorized to be transferred between (departments within any fund/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 county's legislative body.

d. Cash

It is the county's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is posted to the current expense fund.

The amounts reported as net cash and investments also include a compensating balance maintained with the bank in lieu of payments for services rendered. The average compensating balance maintained during 2011 was approximately \$3,094,854.

Deposits

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

f. Investments See Note No. 3

g. Derivatives and Similar Transactions

The county had no derivative or similar transactions during the period covered by the financial statement.

h. Capital Assets

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

i. Compensated Absences

Vacation leave may be accumulated up to 30 days unless specified by a bargaining unit contract and is payable upon resignation, retirement, or death.

Sick leave may be accumulated indefinitely, unless specified by a bargaining unit contract. Upon separation, employees do not receive payment for unused sick leave. Upon retirement or death, employees do receive payment for 1/3 of unused sick leave with a cap of 50 days.

j. Long-Term Debt See Note No. 6

k. Other Financing Sources or Uses

The County's "Other Financing Sources" consist of transfers in and out between funds and disposition of fixed assets,

Transfer In	Amount	Transfer Out	Amount
Current Expense	\$ 300,000	Timber Sales	\$ 300,000
Current Expense	\$ 180,000	Timber Sales	\$ 180,000
Growth Management	\$ 13,302.37	Current Expense	\$ 13,302.37
ITS	\$ 25,000	Timber Sales	\$ 25,000

Disposition of Fixed Assets: 395

Counseling Services	915.58
Park Fund	340,659.05
Timber Sales	355,820.59
ER&R	57,974.50

RISK MANAGEMENT

Pend Oreille 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, Pacific 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 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 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 coverage's 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 Strategic 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.

m. Reserved Fund Balance

The County Board of Commissioner's resolved by Resolution 2008-1 and 2008-66 to keep a cash flow reserve within the Current Expense fund of \$1,000,000. In 2010 by Resolution 2010-62, the Board of County Commissioner's decreased the cash flow reserve to \$800,000, with the intent to return the cash flow reserve to \$1,000,000 when economically feasible.

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

The county's investments are insured, registered or held by the county or its agent in the county's name. Investments are presented at cost.

The investment amounts listed under Pend Oreille County include county funds and funds of any municipal

corporation, which are not required for immediate expenditure. These funds are invested per RCW 36.29.020. The combined total is \$3,700,060, which includes county funds in the amount of \$2,041,353 and \$1,658,707 for other municipal corporations.

Investments by type at December 31, 2011 are as follows:

Type of Investment	Pend Oreille County	Investments held by the county as agent for other local or private organizations	Total
LGIP	\$3,263,399	\$9,327,916	\$12,591,315
US GOVT SEC	\$0	\$0	\$0
Other:	\$0	\$0	\$0
Mtn West/Newport/CD	\$0	\$0	\$0
Mtn West/Newport	\$2,653	\$0	\$2,653
Mtn West/Newport	\$303,879	\$0	\$303,879
Mtn West/Ione	\$130,129	\$7,066	\$137,195
Totals	\$3,700,060	\$9,334,982	\$13,035,042

NOTE 4 - PROPERTY TAX

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month. Property tax revenues are recognized when cash is received by the county treasurer. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

Property Tax Calendar

- January 1 Taxes are levied and become an enforceable lien against properties.
- April 30 First half or full tax is due.
- May 31 Assessed value of property established for next year's levy at 100% of true and fair market value.
- October 31 Second installment is due.

The county may levy up to \$1.80 per \$1,000 of assessed valuation for general government services, subject to the following restrictions.

- a) Washington State law (RCW 84.55.010) limits the growth of regular property taxes to one percent of the amount of regular property taxes lawfully levied in the highest of the three most recent years in which such taxes were levied plus adjustments for new construction, improvements to property, and state assessed

property values. If the assessed valuation increases by more than one percent due to revaluation, the levy rate will be decreased.

- b) The Washington State Constitution limits the total regular property taxes to one 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 one percent limit.

The county's regular levy may exceed the \$1.80 (up to \$2.475) if the combined total of the county regular and county road levies do not exceed \$4.05 and no other taxing district is adversely affected.

Pend Oreille County's regular levy for the year 2011 was \$1.55 per \$1,000 on an assessed valuation of \$1,365,824,569 for a total regular levy of \$2,118,214.69. This includes a levy shift from Road to Current Expense of \$400,000.

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 rate for 2011 was \$1.13 per \$1,000 on an assessed valuation of \$1,187,210,075 for a total road levy of \$1,344,678.46. This net amount reflects a levy shift from Road to Current Expense of \$400,000.

NOTE 5 - INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2011:

<u>Borrowing Fund</u>	<u>Lending Fund</u>	<u>Balance 1/1/2011</u>	<u>New Loans</u>	<u>Repayments</u>	<u>Balance 12/31/2011</u>
Enhanced 911	Timber Sales	\$25,000*	0	0	\$25,000
Enhanced 911	CE	0	\$125,000	\$125,000	0
Fair	Public Facilities	\$42,000	0	\$3,000	\$39,000
TOTALS		\$92,000	\$125,000	\$128,000	\$89,000

*Payment made 3/10/2010 was not reflected in last year ending balance on Note 5.

NOTE 6 - LONG-TERM DEBT

The accompanying Schedule of Long-Term Debt (09) provides a listing of the 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:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Other Debt</u>	<u>Total Debt</u>
2011	\$ 325,590			\$ 325,590
2012	\$ 324,063			\$ 324,063
2013	\$ 305,342			\$ 305,342
2014	\$ 306,392			\$ 306,392
2015	\$ 35,943			\$ 35,943
2016	\$ 36,253			\$ 36,253
TOTALS	<u>\$1,333,583</u>	\$ _____	\$ _____	<u>\$1,333,583</u>

NOTE 7 - PENSION PLANS

Substantially all county full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS 1,2, and 3, PSERS) Or Law Enforcement Officers and Fire Fighters retirement system, (LEOFF 2) 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 - OTHER DISCLOSURES

1. No new funds were created in 2011.
2. No funds were closed in 2011.
3. At the end of 2010, the County Milfoil program was turned over to the PUD.
4. In 2011, after the revelation that there was a lack of funding for CASA, the GAL program was discontinued.
5. Explanation of reserved balance in Counseling Service Fund (102-000-000)
 - a) In 2011, Pend Oreille County was contacted by a representative of the Department of Social and Health Services, who informed us that an advance they provided in 1985 to the Counseling services for the purpose of covering lags in payments should show on the annual reporting. It has been reported as a reserved portion of the ending fund balance.

6. Explanation of beginning balances differing from 2010 ending fund balance
 - a) In 2010 reporting, the State changes required the inclusion of petty cash and department checking accounts in beginning and ending fund balances, one checking account reported in 2010 captured the beginning balance not the ending. The correction was made to the beginning balance in 2011.

7. Explanation of reserved balance in Current Expense fund (001-000-000)
 - a) The Cash flow reserve was established in 2008 to insure adequate cash flow throughout the year. It was originally set at \$800,000 and in December 2008, resolution 2008-66 added \$200,000 more to the reserve. In addition, Noxious Weed, a department within Current expense (001-000-475), must reserve the difference in income and expenditures in its' neighborhood cost-share program (\$2,337.57).

8. Pend Oreille County had been using an AS400 based software program (Computech) since 1988, due to the fact that Computech would no longer support the software, Pend Oreille County purchased a new Financial Software program (New World Logos). On January 1, 2011 Pend Oreille County Auditor's office went live with New World. Due to unresolved issues with the software, the Treasurer's office continued with double entry in both systems for the 2011 year. The software has expanded capabilities that will enhance the process and procedures of our daily business. Helping to give more detailed data to the county decision makers and the public while improving overall efficiency.

**SCHEDULE OF DISBURSEMENT ACTIVITY
For the Fiscal Year ended December 31, 2011**

1	2	3	4	5	6	7	8	9	10
Fund No.	Fund Title	Beginning Outstanding Items 1/1/2011	Beginning Open Period Items	Issued During the Year (6-3+7+8+9)	Redeemed During the Year (5+3-7-8-9)	Canceled During the Year	Ending Outstanding Items	Ending Open Period Items	Disbursements 12/31/2011 (5-4+9)
	WARRANT ACTIVITY								
637-000-000	CLAIMS-SALARY	103,785		19,736,365	19,387,695	1,878	450,577		19,736,365
665-000-000	PORT OPERATING	68,632		2,441,576	2,492,947		17,261		2,441,576
670-056-000	SCHOOL 56 GENERAL	944,149		11,274,710	11,364,387	8,498	845,974		11,274,710
670-056-020	SCHOOL 56 DEBT SERVICE	0		780	480		300		780
670-056-040	SCHOOL 56 CAPITAL PROJECTS	0		1,065,963	1,060,639		5,324		1,065,963
670-056-060	SCHOOL 56 TRUST	465		22,490	16,657	2,000	4,298		22,490
670-056-080	SCHOOL 56 ASB	17,949		179,919	180,456		17,412		179,919
670-059-000	SCHOOL 59 GENERAL	282,368		3,456,601	3,453,326	26	285,617		3,456,601
670-059-040	SCHOOL 59 CAPITAL PROJECTS	277		9,024	8,642		659		9,024
670-059-080	SCHOOL 59 ASB	27,277		101,201	120,026		8,452		101,201
670-070-000	SCHOOL 70 GENERAL	333,263		3,842,252	3,834,982	57,132	283,401		3,842,252
670-070-040	SCHOOL 70 CAPITAL PROJECTS	0		120,304	120,304		0		120,304
670-070-060	SCHOOL 70 TRUST	55		3,445	3,500		0		3,445
670-070-080	SCHOOL 70 ASB	5,061		97,123	91,985	2,653	7,546		97,123
	Total Warrant Activity	1,783,281		42,351,753	42,136,026	72,187	1,926,821	0	42,351,753

**SCHEDULE OF DISBURSEMENT ACTIVITY
For the Fiscal Year ended December 31, 2011**

Treasurer Disbursements							
201-000-020	COUNTY BONDS	0		325,590	325,590	0	325,590
635-000-050	CHIPPEWA W/S BOND	0		1,312	1,312	0	1,312
637-000-000	CLAIMS-SALARY DIRECT DEPOSIT	0		5,262,784	5,262,784	0	5,262,784
639-010-000	CUSICK			17,785	17,785	0	17,785
639-020-000	IONE	0		72,843	72,843	0	72,843
639-030-000	METALINE	0		45,078	45,078	0	45,078
639-040-000	METALINE FALLS	0		57,988	57,988	0	57,988
639-050-000	NEWPORT	0		285,407	285,407	0	285,407
641-000-050	DIAMOND LAKE W/S BONDS	0		128,022	128,022	0	128,022
646-002-010	FIRE DISTRICT 2 RESCUE	0		13,582	13,582	0	13,582
646-002-040	FIRE DISTRICT 2 BLDG	0		19,388	19,388	0	19,388
646-003-000	FIRE DISTRICT 3 GENERAL	0		7,706	7,706	0	7,706
646-003-020	FIRE DISTRICT 3 DEBT SVC	0		41,098	41,098	0	41,098
646-004-000	FIRE DISTRICT 4 GENERAL	0		47,135	47,135	0	47,135
654-001-000	HOSPITAL DISTRICT 1 GEN	0		399,679	399,679	0	399,679
654-001-020	HOSPITAL DISTRICT 1 DEBT SVC	0		227	227	0	227
663-009-050	PONDERAY SHORES BOND 09	0		19,901	19,901	0	19,901
665-000-050	PORT BONDS	0		43,450	43,450	0	43,450
667-000-050	SACHEEN SEWER DEBT	0		10,909	10,909	0	10,909
670-043-000	SCHOOL 43 GENERAL	0		680	680	0	680
670-043-020	SCHOOL 43 DEBT SERVICE	0		2,075	2,075	0	2,075
670-056-020	SCHOOL 56 DEBT SERVICE	0		593,695	593,695	0	593,695
670-059-020	SCHOOL 59 DEBT SERVICE	0		19,751	19,751	0	19,751
670-061-000	SCHOOL 61 GENERAL	0		12,290	12,290	0	12,290
670-061-020	SCHOOL 61 DEBT SERVICE	0		17,643	17,643	0	17,643
670-062-000	SCHOOL 62 GENERAL	0		143,633	143,633	0	143,633
670-062-020	SCHOOL 62 DEBT SERVICE	0		209	209	0	209
675-000-000	STATE	0		3,814,786	3,814,786	0	3,814,786
682-000-000	TAX FORECLOSURE SUSPENSE	0		4263	4263	0	4,263
	TOTAL - all funds	1,783,281	-	53,760,662	53,544,935	72,187	1,926,821
							-
							53,760,662

Schedule 9

Entity: Pend Oreille County

Year: 2011

Debt Type	ID. No	Description	Maturity Date	Beginning	Additions	Reductions	BARS Code	Ending
General Obligation								
	251.11	Martin Hall LTGO 96 RFDG	6/1/2011	186,928	0	27,754	59118	159,174
	251.11	Technology Bond LTGO	6/1/2011	985,000	0	235,000	59118	750,000
	259.11	Compensated Absences		940,294	802,610	642,745		1,100,159
	263.51	Energy Bond LTGO 2005A	6/1/2011	38,058	0	18,663	59118	19,395
		Sub-total:		2,150,280	802,610	924,162		2,028,728
		Grand total:		2,150,280	802,610	924,162		2,028,728

MCAG 0150
Pend Oreille County
Schedule of Limitation of Indebtedness
As of December 31, 2011

Schedule 10

Total Taxable Property Value	\$ 1,365,824,569	Remaining Debt Capacity
2.5% General purpose limit is allocated between:	34,145,614	
Up to 1.5% debt without a vote	20,487,369	
Less: Outstanding Debt	1,868,864	
Less: Excess of Debt with a Vote	2,028,729	
Add: Available Assets	0	
Equals remaining debt capacity without a vote		\$16,589,776
Up to 2.5% debt with a vote	32,276,750	
Less: Outstanding Debt	2,028,729	
Add: Available Assets	0	
Equals remaining debt capacity with a vote		\$30,248,021

SCHEDULE OF DISBURSEMENT ACTIVITY
For the Fiscal Year ended December 31, 2011

1	2	3	4	5	6	7	8	9	10	11	12	13
Fund No.	Fund Title	Beginning Cash & Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
001	CURRENT EXPENSE	1,427,147	8,417,453		1,478		8,418,931	8,941,333		2,679	8,944,012	902,066
101	ARTS, TOURISM & RECREATION	57,114	38,553				38,553	50,331			50,331	45,336
102	COMMUNITY MENTAL HEALTH	1,133,809	1,278,908				1,278,908	1,392,381			1,392,381	1,020,336
103	CRIME VICTIMS	9,662	6,864				6,864	10,695			10,695	5,831
104	FAIR	83,811	93,307		4,982		98,289	102,530			102,530	79,570
105	LAW LIBRARY	12,941	3,919				3,919	7,481			7,481	9,379
106	AS400 CUMULATIVE RESERVE	-	0				-	-			-	-
107	TECHNOLOGY	97,140	54,836				54,836	113,069			113,069	38,907
110	PARK	1,688	342,751				342,751	38,153			38,153	306,286
111	PATHS & TRAILS	100,389	7,651				7,651	-			-	108,040
112	ROAD	412,496	6,165,990		8		6,165,998	6,211,700			6,211,700	366,794
113	MILFOIL CONTROL	81,058	7,254				7,254	86,264			86,264	2,048
114	VETERAN'S ASSISTANCE	37,945	10,856				10,856	10,902			10,902	37,899
116	TIMBER SALES	276,863	363,278				363,278	568,352			568,352	71,789
117	TREASURER'S REET TECH FUND	76,934	131				131	-			-	77,065
118	TREASURER'S O&M	9,411	2,080				2,080	2,684			2,684	8,807
119	AUDITOR'S O&M	163,931	52,903				52,903	99,324			99,324	117,510
121	ELECTION RESERVE	9,121	0				-	-			-	9,121
122	CLERK'S COLLECTION	14,070	20,609				20,609	26,131			26,131	8,548
123	TRIAL COURT IMPROVEMENT	37,659	17,109				17,109	3,761			3,761	51,007
124	DOMESTIC VIOLENCE	-	0				-	-			-	-
126	DRUG ENFORCEMENT	43,337	48,452		1,232		49,684	86,600			86,600	6,421
127	ENHANCED 911 SYSTEM	26,100	785,697				785,697	792,508			792,508	19,289
128	EXTENSION EDUCATION	28,357	16,650				16,650	15,603			15,603	29,404
130	GROWTH MANAGEMENT	4,843	35,265				35,265	38,042			38,042	2,066
131	LOW INCOME HOUSING	22,003	14,045				14,045	15,527			15,527	20,521
132	HOMELESS PROGRAM	124,527	81,035				81,035	90,467			90,467	115,095
134	PUBLIC FACILITIES	407,197	97,650				97,650	131,336			131,336	373,511

SCHEDULE OF DISBURSEMENT ACTIVITY
For the Fiscal Year ended December 31, 2011

Fund No.	Fund Title	Beginning Cash & Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
201	BOND	-	325,590				325,590	325,590	-		325,590	-
301	CAPITAL PROJECTS	338,589	63,371				63,371	131,066			131,066	270,894
463	SOLID WASTE	110,224	926,747				926,747	866,967			866,967	170,004
501	RISK MANAGEMENT	58,654	397,526				397,526	315,898			315,898	140,282
502	EQUIPMENT R&R	725,274	2,124,356				2,124,356	1,568,044			1,568,044	1,281,586
504	UNEMPLOYMENT COMP	52,823	105,041				105,041	103,850			103,850	54,014
505	IT FUND	-	408,057				408,057	294,196			294,196	113,861
	SUBTOTAL	5,985,117	22,313,934	-	7,700	-	22,321,634	22,440,786	-	2,679	22,443,465	5,863,286
	TRUST ACCOUNTS											
621	AUDITOR DEPT OF LICENSING	4,016			1,225,447		1,225,447			1,223,705	1,223,705	5,758
622	COUNSELING SERVICES CHECKING	7,326			781		781			3,330	3,330	4,777
623	DISTRICT COURT CHECKING	16,771			514,540		514,540			508,389	508,389	22,922
624	SHERIFF CORRECTION JAIL	21,687			123,955		123,955			121,199	121,199	24,443
625	SUPERIOR COURT CHECKING/TRUST	247,243			370,234		370,234			558,420	558,420	59,057
675	SHERIFFS TRUST	1,347	14,131				14,131	13,941			13,941	1,537
632	ADVANCE TAX	-					-				-	-
682-000-000	TAX FORECLOSURE	34,381	4,644				4,644	4,644			4,644	34,381
683-000-060	TIMBER TAX RESERVE	120,069	-25,780				(25,780)				-	94,289
684-000-000	COUNTY TAX REFUND FUND	-					-				-	-
685-000-000	TREASURER'S SUSPENSE	100	-29				(29)				-	71
	SUBTOTAL	452,940	-7,034	-	2,234,957	-	2,227,923	18,585	-	2,415,043	2,433,628	247,235
	CEMETERY DISTRICTS											
634-001-000	CEMETERY DISTRICT 1	136,374	124,424				124,424	96,961			96,961	163,837
634-002-000	CEMETERY DISTRICT 2	11,872	8,121				8,121	10,351			10,351	9,642
634-003-000	CEMETERY DISTRICT 3	12,713	7,038				7,038	4,206			4,206	15,545
	SUBTOTAL	160,959	139,583	-	-	-	139,583	111,518	-	-	111,518	189,024

SCHEDULE OF DISBURSEMENT ACTIVITY
For the Fiscal Year ended December 31, 2011

Fund No.	Fund Title	Beginning Cash & Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
	WATER/SEWER DISTRICTS						-				-	
635-000-000	CHIPPEWA W/S GENERAL	47,209	92,239				92,239	103,981			103,981	35,467
635-000-040	CHIPPEWA W/S C/P	7,764	3,423				3,423				-	11,187
635-000-050	CHIPPEWA W/S BOND	-	1,312				1,312	1,312			1,312	-
635-078-060	CHIPPEWA W/S BOND 78 RES	2,755	0				-				-	2,755
641-000-000	DIAMOND LAKE W/S GENERAL	264,415	247,320		328		247,648	247,989			247,989	264,074
641-000-040	DIAMOND LAKE W/S CONSTRUCTION	191,493	16,647				16,647				-	208,140
641-000-050	DIAMOND LAKE W/S BONDS	377,877	128,009				128,009	128,023			128,023	377,863
641-000-060	DIAMOND LAKE W/S BOND RES	168,470	249				249				-	168,719
659-000-000	LENORA SEWER GENERAL	76,333	75,565				75,565	83,133			83,133	68,765
663-000-000	PONDERAY SHORES W/S	179,144	143,930				143,930	19,559			19,559	303,515
663-000-040	PONDERAY SHORES W/S CONSTR	92,245	68,436				68,436	151,013			151,013	9,668
663-000-050	PONDERAY SHORES W/S REV BND 09	58,186	69,387				69,387	19,901			19,901	107,672
667-000-000	SACHEEN SEWER GENERAL	10,952	7,513				7,513	16,320			16,320	2,145
667-000-020	SACHEEN SEWER DEBT SERV	411	220				220	547			547	84
667-000-040	SACHEEN SEWER CAP PROJ	1					-				-	1
667-000-050	SACHEEN ASSESSMENT DEBT	-	10,909				10,909	10,909			10,909	-
	SUBTOTAL	1,477,255	865,159	-	328	-	865,487	782,687	-	-	782,687	1,560,055
	CITIES & TOWNS											
639-010-000	CUSICK GENERAL	-	17,785				17,785	17,785			17,785	0
639-020-000	IONE GENERAL	253	72,743				72,743	72,843			72,843	153
639-030-000	METALINE GENERAL	-	45,138				45,138	45,078			45,078	60
639-040-000	METALINE FALLS GENERAL	-	58,291				58,291	57,988			57,988	303
639-050-000	NEWPORT GENERAL	1,701	288,007				288,007	285,407			285,407	4,301
	SUBTOTAL	1,954	481,964	-	-	-	481,964	479,102	-	-	479,102	4,816

**SCHEDULE OF DISBURSEMENT ACTIVITY
For the Fiscal Year ended December 31, 2011**

Fund No.	Fund Title	Beginning Cash & Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
	DIKING DISTRICTS											
644-002-000	DIKING DISTRICT 2	4,714					-					4,714
	SUBTOTAL	4,714	0	-	-	-	-	-	-	-	-	4,714
	FIRE DISTRICTS											
646-002-000	FIRE DISTRICT 2 GENERAL	82,992	401,053				401,053	439,931			439,931	44,114
646-002-010	FIRE DISTRICT 2 RESCUE	39,155	213,335				213,335	207,033			207,033	45,457
646-002-040	FIRE DISTRICT 2 BUILDING RES	768	19,388				19,388	19,388			19,388	768
646-003-000	FIRE DISTRICT 3 GENERAL	101,289	468,075				468,075	331,577	40,134		371,711	197,653
646-003-010	FIRE DISTRICT 3 ENGINE & EQUIP	53,159	3,392	40,134			43,526	-			-	96,685
646-003-020	FIRE DISTRICT 3 DEBT SERVICE	-	41,098				41,098	41,098			41,098	-
646-003-100	FIRE DISTRICT 3 GRANT FUND	-	13,675				13,675	13,675			13,675	-
646-004-000	FIRE DISTRICT 4 GENERAL	473,373	448,533				448,533	560,791			560,791	361,115
646-004-010	FIRE DISTRICT 4 EQUIP RES	39,115	53				53				-	39,168
646-005-000	FIRE DISTRICT 5 GENERAL	17,784	43,339				43,339	41,959			41,959	19,164
646-006-000	FIRE DISTRICT 6 GENERAL	159,949	80,014				80,014	42,795			42,795	197,168
646-008-000	FIRE DISTRICT 8 GENERAL	8,720	22,946				22,946	18,395			18,395	13,271
	SUBTOTAL	976,304	1,754,901	40,134	-	-	1,795,035	1,716,642	40,134	-	1,756,776	1,014,563
	HOSPITAL DISTRICTS											
654-001-000	HOSPITAL DISTRICT 1 GENERAL	8,441	397,174				397,174	399,679			399,679	5,936
654-001-020	HOSPITAL DISTRICT 1 DEBT SERVICE	2	225				225	227			227	-
654-002-000	HOSPITAL DISTRICT 2 GENERAL	20,241	77,883				77,883	29,259			29,259	68,865
654-002-060	HOSPITAL DISTRICT 2 RESERVE	51,910	238				238	52,135			52,135	13
	SUBTOTAL	80,594	475,520	-	-	-	475,520	481,300	-	-	481,300	74,814
	LIBRARY DISTRICT											
661-000-000	LIBRARY	311,640	498,099				498,099	466,444			466,444	343,295
	SUBTOTAL	311,640	498,099	-	-	-	498,099	466,444	-	-	466,444	343,295
	PORT DISTRICTS											
665-000-000	PORT OPERATING EXPENSE	3,973,148	1,959,738				1,959,738	2,441,576			2,441,576	3,491,310
665-000-040	PORT CAP IMP	607,224	1,030				1,030				-	608,254
665-000-050	PORT REVENUE BOND	-	0	43,450			43,450	43,450			43,450	-
665-000-060	PORT DEBT SERVICE RES	265,187	435				435		43,450		43,450	222,172
665-000-090	PORT INSURANCE RESERVE	149,675	254				254				-	149,929
	SUBTOTAL	4,995,234	1,961,457	43,450	-	-	2,004,907	2,485,026	43,450	-	2,528,476	4,471,665

SCHEDULE OF DISBURSEMENT ACTIVITY
For the Fiscal Year ended December 31, 2011

Fund No.	Fund Title	Beginning Cash & Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
	SCHOOL DISTRICTS											
670-043-000	SCHOOL 43 GENERAL	-	680				680	680			680	-
670-043-020	SCHOOL 43 DEBT SERVICE	-	2,075				2,075	2,075			2,075	-
670-056-000	SCHOOL 56 GENERAL	118,707	11,200,406	800,000	8,498		12,008,904	11,274,710	833,835		12,108,545	19,066
670-056-020	SCHOOL 56 DEBT SERVICE	143,108	553,116	33,710			586,826	594,475			594,475	135,459
670-056-040	SCHOOL 56 CAP PROJ	173,641	993,623	800,125			1,793,748	1,065,963	800,000		1,865,963	101,426
670-056-060	SCHOOL 56 SMITH TRUST	748,992	35,575		2,000		37,575	22,490			22,490	764,077
670-056-080	SCHOOL 56 ASB	95,701	198,464				198,464	179,919			179,919	114,246
670-059-090	SCHOOL 56 TRAN/VEHICLE	2	0				-	-			-	2
670-059-000	SCHOOL 59 GENERAL	770,680	3,406,967	-	26		3,406,993	3,456,601			3,456,601	721,072
670-059-020	SCHOOL 59 DEBT SERVICE	48,570	0	-			-	19,751			19,751	28,819
670-059-040	SCHOOL 59 CAP POJECTS	20,688	6,085	-			6,085	9,024			9,024	17,749
670-059-080	SCHOOL 59 ASB	40,537	94,673	-			94,673	101,201			101,201	34,009
670-059-090	SCHOOL 59 TRAN/VEHICLE	31,305	51,514				51,514	-			-	82,819
670-061-000	SCHOOL 61 GENERAL	-	12,290				12,290	12,290			12,290	-
670-061-020	SCHOOL 61 DEBT SERVICE	-	17,643				17,643	17,643			17,643	-
670-062-000	SCHOOL 62 GENERAL	341	144,032				144,032	143,633			143,633	740
670-062-020	SCHOOL 62 DEBT SERVICE	7	202				202	209			209	-
670-070-000	SCHOOL 70 GENERAL	357,764	3,751,582	-	57,132		3,808,714	3,842,252			3,842,252	324,226
670-070-040	SCHOOL 70 CAP PROJ	92,638	120,350	-			120,350	120,304			120,304	92,684
670-070-060	SCHOOL 70 TRUST	26,468	44	-			44	3,445			3,445	23,067
670-070-080	SCHOOL 70 ASB	78,913	80,467	-	2,653		83,120	97,123			97,123	64,910
670-070-090	SCHOOL 70 TRANS/VEHICLE	65,254	61,624	-			61,624	-			-	126,878
	SUBTOTAL	2,813,316	20,731,412	1,633,835	70,309	-	22,435,556	20,963,788	1,633,835	-	22,597,623	2,651,249
	STATE											
679-000-000	STATE REMITS	47,708	3,801,385				3,801,385	3,814,786			3,814,786	34,307
	SUBTOTAL	47,708	3,801,385	-	-	-	3,801,385	3,814,786	-	-	3,814,786	34,307

Pend Oreille County
County

SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE

For the Year Ended December 31, 2011

Grantor	Program Title	Identificaton Number	Amount
Department of Social & Health Services			
	Developmental Disabilities Grant	0963-67981	28,138
	Child Support (Superior Court)	2110-80328 (FY 2011)	316
	Juvenile Diversion	1063-94090	3,735
	Substance Abuse Services	0963-68055(09-11)	68,087
	Developmental Disabilities Grant	1163-31935	33,989
	Child Support (Superior Court)	2110-80328 (FY 2011)	3,125
	Juvenile Diversion	1163-33517	8,687
	Child Support (Prosecutor)	2110-80328 (FY 2011)	18,992
	Substance Abuse Services	1163-27319(11-13)	37,168
		Sub-total:	202,237
County Road Administration Board			
	McKenzie Road	2609-01	316
	C.A.P.P.	N/A	196,929
	Fertile Valley	2610-01	7,635

Grantor	Program Title	Identificaton Number	Amount
			Sub-total: 204,880
WA State Military Dept.	Enhance 911 System Salary Assistance Wireline/Wireless	E11184	270,048
	Enhance 911 System Salary Assistance Wireline/Wireless	E12039	270,177
	All Hazard Mitigation Plan Update	E10013	408
			Sub-total: 540,633
Department of Ecology	Bead Lake Milfoil Eradication	G1100168	5,484
	Horseshoe Lake Itnegrated Aquatic vegetation Mgmt Plan	G1200288	150
	Coordinated Solid Waste	G1000481	63,276
	Community Litter Cleanup	C1200121	5,444
	Regional Comp Shoreline master Program	G0800252	11,963
	Davis Lake Treatment	G0600355	2,819
			Sub-total: 89,136
Criminal Justice Training Commission	Registered Sex Offenders	N/A	30,500
			Sub-total: 30,500
Office of Administrator of the Courts			

Grantor	Program Title	Identificaton Number	Amount
	Court Appointed Special Advocate	1AA10140	1,501
		Sub-total:	1,501
Department of Commerce			
	Rural Narcotics Enforcment Funding	S10-34017-002	117,587
	Community Mobilization	M08-66208126/M08-66100-126A	7,209
	Homeless management Information Systems	F04635	20,000
		Sub-total:	144,796
Seattle City Light			
	Impact & In-Leiu of taxes payment	N/A	1,301,441
		Sub-total:	1,301,441
Other Judicial Agency Grants			
	Jury Source List	1AA111192	950
		Sub-total:	950
Legislature & its Committees			
	Prosecutor Salary	FY 2011	74,416
		Sub-total:	74,416
		Grand total:	2,590,490

Pend Oreille County
County

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011**

CFDA #	Federal Agency Name	ARRA	Federal Program Name	Pass Through Agency Name	Other Award ID Number	Expenditures		Foot Note Ref	
						From Pass-Through Awards	From Direct Awards		Total Amount
10.665	US Dept of Agriculture Forest Service		Title 1-School and Roads		Federal Forest Yield		373,371	373,371	
10.665	US Dept of Agriculture Forest Service		Title 2-Special Projects on Federal Land		NFS 11 DG-11062100-005		76,342	76,342	7
10.665	US Dept of Agriculture Forest Service		Title 3-County Projects		Federal Forest Yield		8,093	8,093	
10.665	US Dept of Agriculture Forest Service		Title 2-Special Projects on Federal Land		11-DG-11062100-014		50,783	50,783	
15.631	Department of the Interior		Fish & Wildlife Management Assistance		13330BG006		36,174	36,174	
16.000	US Drug Enforcement		Domestic Cannabis Eradication Program	WA State Patrol	C100892FE D	1,639		1,639	

CFDA #	Federal Agency Name	ARRA	Federal Program Name	Pass Through Agency Name	Other Award ID Number	Expenditures			Foot Note Ref
						From Pass-Through Awards	From Direct Awards	Total Amount	
16.203	Department of Justice		Comprehensive Approaches to Sex Offender management Discretionary Grant(CASOM)		A-2011-17		545	545	
16.710	Department of Justice		Public Safety Partnership & Community Policing Grants	State Dept of Community, Trade & Economic Development	M08-66208-126	8,710		8,710	2
16.710	Department of Justice		Public Safety Partnership & Community Policing Grants	WASPC	WSMI 10104	1,493		1,493	
16.810	Department of Justice		ARRA-Assistance to Rural Law Enforcement to Combat Crime & Drugs Competitive Grant Program		2009-SD-B9-0205		0	0	9
16.810	Department of Justice		ARRA-Assistance to Rural Law Enforcement to Combat Crime & Drugs Competitive Grant Program		2009-SD-B9-0206		0	0	9

CFDA #	Federal Agency Name	ARRA	Federal Program Name	Pass Through Agency Name	Other Award ID Number	Expenditures		Total Amount	Foot Note Ref
						From Pass-Through Awards	From Direct Awards		
20.205	Department of Transportation Federal Highway Administration		Highway Planning and Construction	State Dept of Transportation	BHS-F260 (002)	18,778		18,778	
20.205	Department of Transportation Federal Highway Administration		Highway Planning and Construction	State Dept of Transportation	STPR-L261 (001)	66,456		66,456	
20.205	Department of Transportation Federal Highway Administration		Highway Planning and Construction	State Dept of Transportation	BROS 2026 (015)	197,916		197,916	
20.205	Department of Transportation Federal Highway Administration		Highway Planning and Construction	State Dept of Transportation	BHS-T261 (004)	1,791,041		1,791,041	
20.205	Department of Transportation Federal Highway Administration		Highway Planning and Construction	State Dept of Transportation	HSIP0005 (276)	4,238		4,238	
20.205	Department of Transportation Federal Highway Administration		Highway Planning and Construction	State Dept of Transportation	DTFH70-07 -E-00020	197,392		197,392	
20.205	Department of Transportation Federal Highway Administration		Highway Planning and Construction	State Dept of Transportation	SB-WA05 (001)	2,689		2,689	
20.600	Department of Transportation National Highway Safety Administration		State and Community Highway Safety	State Dept of Transportation	A-2011-06	1,000		1,000	

CFDA #	Federal Agency Name	ARRA	Federal Program Name	Pass Through Agency Name	Other Award ID Number	Expenditures			Foot Note Ref
						From Pass-Through Awards	From Direct Awards	Total Amount	
20.703	Department of Transportation National Highway Safety Administration		Interagency Hazardous Material Public Sector Training & Planning Grants	WA State Military Dept	E11096	6,880		6,880	
90.401	US Election Assistance Commission		Help America Vote Act Grants	WA Secretary of State	G2850	1,497		1,497	
93.243	Department of Health & Human Services Substance Abuse & Mental Health Services Administration		Substance Abuse & Mental Health Services-Projects of Regional & National Significance	WA State DSHS	RAUD	477		477	
93.276	Department of Health & Human Services Substance Abuse & Mental Health Services Administration		Drug-Free Communities Support Program Grants	WA State DSHS	1H79Sp018 172-01	10,363		10,363	
93.563	Department of Health & Human Services Administration for Children & Families		Child Support Enforcement	WA State DSHS	2110-80328	1,777		1,777	
93.563	Department of Health & Human Services Administration for Children & Families		Child Support Enforcement	WA State DSHS	2110-80328	40,935		40,935	

CFDA #	Federal Agency Name	ARRA	Federal Program Name	Pass Through Agency Name	Other Award ID Number	Expenditures		Total Amount	Foot Note Ref
						From Pass-Through Awards	From Direct Awards		
93.563	Department of Health & Human Services Administration for Children & Families		Child Support Enforcement	WA State DSHS	2110-80328	18,258		18,258	
93.778	Department of Health & Human Services Centers for Medicare & Medicaid Services		Medical Assistance Program	WA State DSHS	0963-68055	9,742		9,742	
93.778	Department of Health & Human Services Centers for Medicare & Medicaid Services		Medical Assistance Program	WA State DSHS	1163-27319	8,452		8,452	
93.958	Department of Health & Human Services Substance Abuse & Mental Health Services Administration		Block Grants for Community Mental Health Services	WA State DSHS	1169-355589	95		95	
93.958	Department of Health & Human Services Substance Abuse & Mental Health Services Administration		Block Grants for Community Mental Health Services	WA State DSHS	1069-12021	14,421		14,421	
93.959	Department of Health & Human Services Substance Abuse & Mental Health Services Administration		Block Grants for Prevention & Treatment of Substance Abuse	WA State DSHS	0963-68055 (09-11 biennium)	23,897		23,897	

CFDA #	Federal Agency Name	ARRA	Federal Program Name	Pass Through Agency Name	Other Award ID Number	Expenditures		Total Amount	Foot Note Ref
						From Pass-Through Awards	From Direct Awards		
93.959	Department of Health & Human Services Substance Abuse & Mental Health Services Administration		Block Grants for Prevention & Treatment of Substance Abuse	WA State DSHS	1163-27319 (11-13 biennium)	8,651		8,651	
97.012	Department of Homeland Security		Boating Safety Financial Assistance	WA State Parks & Rec	LE 911-226	6,480		6,480	
97.039	Department of Homeland Security		Hazard Mitigation Grant	WA State Military Dept	E10-013	2,853		2,853	2
97.042	Department of Homeland Security		Emergency Management Performance Grants	WA State Military Dept	E12098	36,710		36,710	
97.067	Department of Homeland Security		Homeland Security Grant Program	WSP	E10-207	10,333		10,333	
97.067	Department of Homeland Security		Homeland Security Grant Program	WSP	E10-176	10,792		10,792	
97.067	Department of Homeland Security		Homeland Security Grant Program	WSP	E11119	3,702		3,702	
97.067	Department of Homeland Security		Homeland Security Grant Program	WSP	E10218	47,556		47,556	
Grand total:						2,555,223	545,308	3,100,531	

PEND OREILLE COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE AND LOCAL FINANCIAL ASSISTANCE

NOTE 1 – BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as Pend Oreille County's financial statements. The County uses the cash basis of accounting.

NOTE 2 – PROGRAM COST

The amounts shown as current year expenditures represent only the federal portion of the program costs. Actual program costs, including the County's portion, may be more than shown.

NOTE 7 – INDIRECT COST RATE

The amount expended for 2011 for Child Support Superior Court includes \$162.00 using an indirect cost rate of 12.77%, and Child Support Prosecutor includes \$6,163.00, and Child Support County Clerk includes \$25,230.00 claimed as an indirect cost recovery using an approved indirect cost rate of 14.23%.

The amount expended for 2011 for Title II U.S. Dept of Ag/U.S. Forest Service Weed Board Grant includes \$9,510.13 claimed as an indirect cost recovery using an approved indirect cost rate of 14.23%.

NOTE 8 – AMOUNTS AWARDED TO SUBRECIPIENTS

Included in the total amount expended for this State program is \$17,600.00 that was passed through to a sub-recipient that administered its own project.

\$17,600.00 –Family Crisis/Crime Victims Services- Homeless
Management Information Systems

NOTE 9 – AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

Expenditures for this program were funded by ARRA

LABOR RELATIONS CONSULTANT
For the Year Ended December 31, 2011

Has your government engaged labor relations consultants? Yes No

If yes, please provide the following information for each consultant:

Name of Firm The Wesley Group
Name of Consultant Kevin Wesley
Business Address PO Box 7164 Kennewick, WA 99336
Amount Paid to Consultant During Fiscal Year \$12,679.21
Terms and Conditions, as Applicable, Including: Rates (E.g., Hourly, etc.)\$100/hr _____ Maximum Compensation Allowed _N/A _____ Duration of Services May-December 31, 2011 Services Provided Labor relations _____ _____

Certified Correct this _____ 7th _____ day of _____ May _____, 2012 to the best of my knowledge and belief:
Signature <i>M. Nichols</i>
Name <i>Marianne Nichols</i>
Title <i>Auditor</i>

**PEND OREILLE COUNTY
SALES AND USE TAX FOR PUBLIC FACILITIES - RURAL COUNTIES**

For the Year Ended December 31, 2011

Total Sales and Use Tax Proceeds (BARS Code 313.18) \$93,620 plus Unspent Proceeds from Previous Periods \$ 407,197

(1) Public Facilities Project	(2) Plan Containing the Project	(3) Total Expenditures for the Project	(4) Amount of Sales and Use Tax Spent on the Project	(5) Estimated Number of Businesses Created/Retained by the Project	(6) Estimated Number of Jobs Created/Retained by the Project
EDC	Comp plan	\$107,031.70	\$107,031.70	3	68
TEDD	Comp plan	\$5,400.00	\$5,400.00	2	5
Phone System Upgrade	Comp plan	\$18,904.34	\$18,904.34	2	2
		\$	\$		
		\$	\$		
		\$	\$		
		\$	\$		
		\$	\$		

- (1) List the public facility project
- (2) Indicate where the project is listed (e.g. officially adopted county economic development plan, economic development action of the county's comprehensive plan, etc.)
- (3) List an amount of total expenditures related to each project. Also, include expenditures related to projects initiated in previous periods and still generating expenditures.
- (4) List an amount of expenditures paid for by the sales and use tax revenues
- (5) (6) The county must provide an actual or estimated number of businesses and family wage jobs the project created, attracted, expanded or retained. The county may use its economic development plan, economic development section of county's comprehensive plan or other sources to provide this information.

Documentation supporting this schedule must be made available upon request for audit purposes and public requests

LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 2011

Program Manager: Jill Shacklett/Shelly Stafford

Address: PO Box 5015

Phone: 509-447-6470

Email: jshacklett@pendoreille.org/sstafford@pendoreille.org

- 1. Yes -Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation? (yes/no)

If NO, STOP, you do not need to complete the rest of this Schedule.

If YES, continue below.

- a. Which class of risk does the entity self-insure? Check all that apply.
 - i. Liability
 - ii. Property
 - iii. Health and Welfare (medical, vision, dental, prescription)
 - iv. Unemployment Compensation
 - v. Workers' Compensation
 - vi. Other - please describe: _____
- b. NO Does the entity self-insure as an individual program? (yes/no)
 - i. If answered YES, does the entity allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.
If so, list the entity or entities: _____
- c. NO Does the entity self-insure as a joint program? (yes/no)
 - i. If answered YES, list the other member(s): _____

