



**Washington State Auditor's Office**

**Troy Kelley**

**Integrity • Respect • Independence**

**Financial Statements Audit Report**

**Whitman County Regional  
Communications Center  
(WHITCOM)**

**For the period January 1, 2009 through December 31, 2012**

**Published November 17, 2014**

**Report No. 1012989**





**Washington State Auditor**  
**Troy Kelley**

November 17, 2014

Executive Board  
WHITCOM  
Pullman, Washington

**Report on Financial Statements**

Please find attached our report on WHITCOM's financial statements.

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

Sincerely,

TROY KELLEY  
STATE AUDITOR

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**Whitman County**  
**January 1, 2009 through December 31, 2012**

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# Schedule of Audit Findings and Responses

## WHITCOM Whitman County January 1, 2009 through December 31, 2012

### 1. The Whitman County Regional Communication Center's (WHITCOM) internal controls over accounting and financial statement preparation are inadequate to ensure timely and accurate reporting.

#### Background

WHITCOM management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of financial reporting. Our audit identified deficiencies in internal controls that adversely affected the Center's ability to produce reliable financial statements. Prior audits also identified weaknesses in the financial statement preparation process that were reported to management.

For the years ending December 31, 2009, 2010 and 2011, WHITCOM used Whitman County as its treasurer and auditor and prepared its financial statements based on the County's accounting system. WHITCOM became its own treasurer and prepared its own accounting records beginning January 1, 2012.

#### Description of Condition

Our audit identified the following deficiencies in internal controls that, when taken together, represent a material weakness:

- Personnel responsible for compiling the Center's financial statements, notes, and required supplemental schedules do not fully understand the *Budgeting Accounting and Reporting System Manual* (BARS) reporting requirements.
- The Center does not have a process, including oversight, in place to ensure its annual financial reports are prepared in accordance with current *Budgeting, Accounting and Reporting Systems* (BARS) Manual and submitted in accordance with state law.
- The Center lacked procedures to support the completeness and accuracy of its monthly reconciliations of bank records to its accounting records. There were no formal reconciliations between the Center's accounting records and Whitman County Treasurer's Report for fiscal years 2009 through 2011. The 2012 bank reconciliation process was not effective and resulted in inaccurate financial information.
- The Center lacks an internal control procedure to review the year-end annual report to ensure it is complete and agrees to the supporting accounting and bank records.

## **Cause of Condition**

The Center had turnover in its key accounting position during the audit period and did not provide adequate training regarding financial reporting requirements to other key personnel.

The Center had significant difficulties obtaining accurate information from Whitman County, to prepare its financial reports for the years 2009 through 2011. Delays and inaccuracies hindered the Center's ability to prepare timely financial reports with its limited personnel resources.

For 2012, the Center became its own treasurer and had to rely on beginning cash and investment amounts from the County which did not agree to the prior year ending amounts.

## **Effect of Condition**

Delayed and inaccurate financial reports limit access to financial information used by appointed officials, the public, state and federal agencies and other interested parties. In addition, these conditions delay the audit process and result in increased audit costs. As a result of these control deficiencies and material errors were reported in the financial statements received for audit. Some of the most significant errors are as follows

### **2012**

- The Center failed to report beginning and ending cash and investments of more than \$1 million.
- The annual report was filed more than 300 days late.
- The Center failed to prepare the Schedule of Long-Term Liabilities and report more than \$65,000 in compensated absences liability.

### **2011**

- The Center reported 100 percent of its more than \$1 million in cash and investments as reserved when there were no external restrictions on the funds.
- The financial reports included more than \$200,000 of unsupported financial activity that could not be identified in the accounting records.
- The Center failed to prepare the Schedule of Long-Term Liabilities and report more than \$65,000 in compensated absences liability.
- The Center failed to include more than \$10,000 in cash and investments held in its Advanced Travel Fund.

### **2010**

- The Center failed to prepare the Schedule of Long-Term Liabilities and report more than \$63,000 in compensated absences liability.
- The Center failed to include more than \$10,000 in cash and investments held in its Advanced Travel Fund.

2009

- The Center failed to include more than \$10,000 in cash and investments held in its Advanced Travel Fund.

In all years, the Notes to the Financial Statements did not disclose important information such as the legal basis for the Center's formation, budget detail, open-period and information about significant prior period adjustments. Other less significant errors were also identified.

The Center took steps to correct these errors in the financial statements.

## **Recommendation**

We recommend the Center:

- Provide adequate training, tools and resources to staff responsible for financial reporting.
- Establish a control process to ensure the most current BARS manual is used to accurately prepare each annual report within the statutory deadline of 150 days following year end.
- Establish and follow written policies and procedures that result in accurate, timely reconciliations of bank activity to the accounting records.
- Establish internal controls to provide adequate oversight and review of the financial statements, notes and schedules to ensure accurate reporting.

## **Center's Response**

- Personnel responsible for compiling the Center's financial statements, notes, and required supplemental schedules do not fully understand the *Budgeting Accounting and Reporting System Manual* (BARS) reporting requirements.

*Prior to the audit, Whitcom administrative and financial staff attended BARS training sponsored by the State of Washington. We now have the contacts and resources to better understand the processes and get questions answered. We intend to attend the training every year as long as it is offered.*

- The Center does not have a process, including oversight, in place to ensure its annual financial reports are prepared in accordance with current Budgeting, Accounting and Reporting Systems (BARS) Manual and submitted in accordance with state law.

*Thurston County 911 (T-COMM) has agreed to review our annual reports prior to submission for accuracy. T-COMM uses cash basis reporting and their financial services officer is a licensed CPA. Their operation, including finance, is very similar to Whitcom and they have a history of successful audits.*

- The Center lacked procedures to support the completeness and accuracy of its monthly reconciliations of bank records to its accounting records. There were no

formal reconciliations between the Center's accounting records and Whitman County Treasurer's Report for fiscal years 2009 through 2011. The 2012 bank reconciliation process was not effective and resulted in inaccurate financial information.

*From 2009 to 2011, Whitcom was comparing claims sent to the county with the monthly financial reports provided by the county. Discrepancies were addressed and corrected, however, there was no official system of documenting the conversations and corrections with the county. Our system was changed in 2012. The bank records are reconciled with our accounting system monthly. I am not aware of any discrepancies with bank records compared to financial records. We did, however, have BARS adjustments that were made to more accurately report as required.*

- The Center lacks an internal control procedure to review the year-end annual report to ensure it is complete and agrees to the supporting accounting and bank records.

*Though our year end reports did reconcile with our supporting accounting and bank records to a degree, the omissions and incorrect reporting process resulted in appearance of disagreement only discovered with further research. We feel that the additions/changes listed above will address this point.*

*In summary, we feel that the now corrected issues were largely attributed to lack of control over county procedures, and, once local control was established, the departure of key personnel during critical audit preparation and reporting timeframes. We believe that our current accounting software, training and cross training personnel in BARS, and use of resources to review and help with preparation of reports, will be key in prevention of errors and to help us meet the recommendations set down as desirable by the State Auditor.*

## **Auditor's Remarks**

We appreciate the Center's commitment to resolving these issues. We will review the condition during our next audit.

## **Applicable Laws and Regulations**

*Budget Accounting and Reporting System (BARS) Manual - Part 3, Accounting, Chapter 3, Accounting Principles and Internal Controls, Section 3, Controls over Financial Reporting, states:*

*This objective refers to fair presentation of financial statement and required schedules in all material respects in accordance with the stated basis of accounting.*

*In meeting this objective, the government should have controls that accomplish the following key functions:*

- Identification of financial events – Controls should ensure financial events and transactions are properly identified and recorded.

- Properly applying accounting standards – Controls should ensure correct criteria and methodology is applied when accounting for financial events. When the correct method of accounting for or reporting a transaction is unclear, the government should seek clarification by performing research, contracting for accounting assistance, or communicating with the State Auditor's Office or standard setting bodies.
- Correctly accounting for all financial events – Controls should ensure that:
  - Only valid transactions are recorded and reported.
  - All transactions occurred during the period are recorded and reported.
  - Transactions are recorded and reported at properly valued and calculated amounts.
  - Recorded and reported transactions accurately reflect legal rights and obligations.
  - Transactions are recorded and reported in the account and fund to which they apply.
- Preparation of the annual report – Controls should ensure that financial statements and required schedules are properly compiled and prepared from source accounting records. Controls should also ensure correct presentation of statements and schedules.

Controls and processes should generate adequate documentation to demonstrate achievement of objectives. This is not only important for audit, oversight and public records purposes, but also to enable effective monitoring of controls over financial reporting by management.

*Government Auditing Standards*, July 2007 Revision – Section 5.11 provides that auditors should report material weaknesses and significant deficiencies in internal control.

The American Institute of Certified Public Accountants, Statement on Auditing Standards No. 115 defines significant deficiencies and material weaknesses as follows:

- a. Significant deficiency: 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.
- b. Material weakness: A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



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.

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

## **WHITCOM Whitman County January 1, 2009 through December 31, 2012**

Executive Board  
WHITCOM  
Pullman, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of WHITCOM, Whitman County, Washington, as of and for the years ended December 31, 2012, 2011, 2010 and 2009, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated October 6, 2014.

We issued an unmodified opinion on the fair presentation of the Agency's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the Agency using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In planning and performing our audits of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Audit Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Audit Findings and Responses as Finding 1 to be material weaknesses.

## ***COMPLIANCE AND OTHER MATTERS***

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of the Agency'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*.

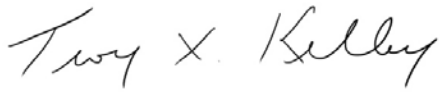
## ***Agency's RESPONSE TO FINDINGS***

The Agency's response to the findings identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## ***PURPOSE OF THIS REPORT***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It

also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in cursive script that reads "Troy X. Kelley".

**TROY KELLEY**  
STATE AUDITOR

October 6, 2014

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

## **WHITCOM Whitman County January 1, 2009 through December 31, 2012**

Executive Board  
WHITCOM  
Pullman, Washington

### ***REPORT ON THE FINANCIAL STATEMENTS***

We have audited the accompanying financial statements of WHITCOM, Whitman County, Washington, for the years ended December 31, 2012, 2011, 2010 and 2009, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, as listed on page 16.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)***

As described in Note 1, WHITCOM has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of WHITCOM, for the years ended December 31, 2012, 2011, 2010 and 2009, on the basis of accounting described in Note 1.

### ***Basis for Adverse Opinion on U.S. GAAP***

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the Agency used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

### ***Adverse Opinion on U.S. GAAP***

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of WHITCOM, as of December 31, 2012, 2011, 2010 and 2009, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

### ***Other Matters***

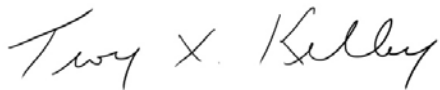
#### ***Supplementary and Other Information***

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Liabilities are 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.

### ***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2014 on our consideration of the Agency'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



**TROY KELLEY**  
STATE AUDITOR

October 6, 2014

## **Financial Section**

**WHITCOM**  
**Whitman County**  
**January 1, 2009 through December 31, 2012**

### ***FINANCIAL STATEMENTS***

Fund Resources and Uses Arising from Cash Transactions – 2012  
Fund Resources and Uses Arising from Cash Transactions – 2011  
Fund Resources and Uses Arising from Cash Transactions – 2010  
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Notes to the Financial Statements – 2012  
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### ***SUPPLEMENTARY AND OTHER INFORMATION***

Schedule of Liabilities – 2012  
Schedule of Liabilities – 2011  
Schedule of Liabilities – 2010



## FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		001 Current Expense
<b>Beginning Cash and Investments</b>		
30810	Beg Fund Bal-Reserved	0
30880	Beg Fund Bal-Unreserved	1,151,509
38800/58800	Prior Period Adjustments, net	0
<b>Operating Revenues</b>		
310	Taxes	0
330	Intergovernmental Revenues	2,302,140
340	Charges for Goods and Services	0
350	Fines & Penalties	0
360	Miscellaneous Revenues	3,420
Total Operating Revenues:		2,305,560
<b>Operating Expenditures</b>		
510	General Government	0
520	Public Safety	2,301,211
598	Intergovernmental Payments	0
Total Operating Expenditures:		2,301,211
Net Operating Increase (Decrease):		4,349
<b>Nonoperating Revenues</b>		
370, 380, 395, 398	Other Financing Sources	0
391-393	Debt Proceeds	0
397	Transfers-In	0
Total Nonoperating Revenues:		
<b>Nonoperating Expenditures</b>		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	0
597	Transfers-Out	0
Total Nonoperating Expenditures:		
Increase (Decrease) in Cash and Investments		4,349
<b>Ending Cash and Investments</b>		
50810	End Fund Bal-Reserved	0
50880	End Fund Balance-Unreserved	1,155,858

The accompanying notes are an integral part of this Statement.

## FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

BARS Code		001 General Fund
<b>Beginning Cash and Investments</b>		
30810	Beg Fund Bal-Reserved	0
30880	Beg Fund Bal-Unreserved	323,276
38800/58800	Prior Period Adjustments, net	0
<b>Operating Revenues</b>		
310	Taxes	0
330	Intergovernmental Revenues	2,839,058
340	Charges for Goods and Services	0
350	Fines & Penalties	0
360	Miscellaneous Revenues	190
Total Operating Revenues:		2,839,249
<b>Operating Expenditures</b>		
520	Public Safety	2,011,017
598	Intergovernmental Payments	0
Total Operating Expenditures:		2,011,017
Net Operating Increase (Decrease):		828,232
<b>Nonoperating Revenues</b>		
370, 380, 395, 398	Other Financing Sources	0
391-393	Debt Proceeds	0
397	Transfers-In	0
Total Nonoperating Revenues:		
<b>Nonoperating Expenditures</b>		
580, 596, 599	Other Financing Uses	0
591-593	Debt Service	0
594-595	Capital Expenditures	0
597	Transfers-Out	0
Total Nonoperating Expenditures:		
Increase (Decrease) in Cash and Investments		828,232
<b>Ending Cash and Investments</b>		
50810	End Fund Bal-Reserved	0
50880	End Fund Balance-Unreserved	1,151,509

The accompanying notes are an integral part of this Statement.

## Whitcom

## FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE		001 General Fund
<b>Beginning Net Cash and Investments</b>		
30880	Unreserved	505,154.83
<b>Revenues and Other Sources</b>		
310	Taxes	213,521.28
320	Licenses and Permits	0.00
330	Intergovernmental	1,605,955.08
340	Charges for Goods and Services	0.00
350	Fines and Forfeits	0.00
360	Miscellaneous	38.04
370	Capital Contributions	0.00
390	Other Financing Sources	0.00
<b>Total Revenues and Other Sources</b>		1,819,514.40
<b>Total Resources</b>		2,324,669.23
<b>Operating Expenditures:</b>		
510	General Government	0.00
520	Public Safety	2,001,393.18
530	Physical Environment	0.00
540	Transportation	0.00
550	Economic Environment	0.00
560	Mental and Physical Health	0.00
570	Culture and Recreation	0.00
<b>Total Operating Expenditures</b>		2,001,393.18
591-593	Debt Service	0.00
594-595	Capital Outlay	0.00
<b>Total Expenditures</b>		2,001,393.18
597-599	Other Financing Uses	0.00
<b>Total Expenditures and Other Uses</b>		2,001,393.18
<b>Excess (Deficit) of Resources Over Uses</b>		323,276.05
380	Nonrevenues (Except 384 and 388.80)	0.00
580	Nonexpenditures (Except 584 and 588.80)	0.00
<b>Ending Net Cash and Investments</b>		
50880	Unreserved	323,276.05

The Accompanying Notes Are An Integral Part Of This Statement.

## Whitcom

## FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2009

BARS CODE		Fund Number and Name 660 911 00X - Whitcom	
		Budget	Actual
Beginning Net Cash and Investments		\$660,000	798,719.73
Revenues and Other Sources			
310	Taxes	198,000	216,051.25
320	Licenses and Permits	15,000	-
330	Intergovernmental	\$ 1,847,000.00	\$ 1,408,169.07
340	Charges for Goods and Services	0	
350	Fines and Forfeits	0	
360	Miscellaneous	0	71,083.16
370	Capital Contributions	0	-
390	Other Financing Sources	200,000	-
Total Revenues and Other Sources		2,260,000	1,695,303.48
Total Resources		2,920,000	2,494,023.21
Operating Expenditures:			
510	General Government		-
520	Public Safety	2,531,200	1,988,868.38
530	Physical Environment		-
540	Transportation		-
550	Economic Environment		-
560	Mental and Physical Health		-
570	Culture and Recreation		-
Total Operating Expenditures		2,531,200	1,988,868.38
591-593	Debt Service		-
594-595	Capital Outlay	60,000	-
Total Expenditures		2,591,200	1,988,868.38
597-599	Other Financing Uses		-
Total Expenditures and Other Uses		2,591,200	1,988,868.38
Excess (Deficit) of Resources Over Uses		328,800	505,154.83
380	Nonrevenues (Except 384 and 388.80)		-
580	Nonexpenditures (Except 584 and 588.80)		
Ending Net Cash and Investments		\$328,800	505,154.83

The Accompanying Notes Are An Integral Part Of This Statement.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Whitcom reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the *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.

Whitcom was established May 1, 2004 and operates under the laws of the State of Washington applicable to a Primary Safety Answering Point (PSAP) and E-911 emergency communications and dispatch center for all of Whitman County and the surrounding areas under the jurisdiction of the inter-local members of Whitman County, Washington State University and the City of Pullman and the contract subscribers of Asotin County, Washington and the City of Moscow, Idaho. Whitcom is governed by a six-member Executive Board composed of two voting members from each governing agency: Whitman County, Washington State University and the City of Pullman. Asotin County and the City of Moscow have non-voting ex-officio members. The Board appoints a Director to oversee the Center's day-to-day operations as well as its 22 employees.

Whitcom is a special purpose government and provides emergency response to the general public and is supported primarily through user charges, taxes and grants.

Whitcom uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a.     Fund Accounting

The accounts of the Agency are organized within a single operating fund. This fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The following are the fund types used by Whitcom.

### GOVERNMENTAL FUND TYPES:

#### General (Current Expense) Fund

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

MCAG #2860     Whitman County Regional Communications Center  
dba WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2012

b.     Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the account 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

Annual appropriated budgets are adopted for Whitcom funds as approved by the Executive Board.

An annual appropriated budget is adopted for the operational fund. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for Whitcom funds lapse at the fiscal period end.

The appropriated and actual expenditures for the legally adopted budgets for 2012 were as follows:

Final Appropriated Amount	Actual Expenditures	Variance
\$2,835,259	\$2,301,211	\$534,048

The Director of Whitcom is authorized to transfer budgeted amounts between sub-funds; however, any revisions that alter the total expenditure of the fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by Whitcom's Executive Board.

d.     Cash

Whitcom's Executive Board directs the amount of surplus cash to invest. The amount is included in the net cash and investments shown on the statements

MCAG #2860     Whitman County Regional Communications Center  
   dba WHITCOM  
   Pullman, Washington  
   Notes to the Financial Statements  
   For the Year Ending December 31, 2012

of fund resources and uses arising from cash transactions. The interest on these investments is posted to the general (current expense) fund. There were no cash investments made in fiscal 2012 and no invested cash interest was received.

e.     Deposits

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

f.     Investments - See Note 3

g.     Capital Assets

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

h.     Compensated Absences

Vacation leave for dispatchers may be accumulated up to 240 hours and is payable upon separation or retirement. Administrative personnel are allowed to accrue up to 352 hours of leave.

Sick leave may be accumulated indefinitely. Upon separation employees do not receive payment for unused sick leave. Upon retirement sick leave may be converted as part of the retirement benefit.

i.     Long-Term Debt

Whitcom had no long term debt in fiscal year 2012.

j.     Risk Management

Whitcom is individually self-insured for 2012 through Washington Cities Insurance Authority, P. O. Box 88030, Tukwila, WA 98138. The insurance covers Boiler and Machinery within the building, Property, and Liability. The premium was paid January 6, 2012 and totaled \$22,757.00. Insurance is paid on an annual basis so coverage extends from January 1 to December 31.

**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 Whitcom.

**NOTE 3 – INVESTMENTS**

Whitcom had no investments during fiscal year 2012.

**NOTE 4 – PROPERTY TAXES**

Whitcom does not levy property taxes.

**NOTE 5 – INTERFUND LOANS AND ADVANCES**

There were no interfund loans and/or advances for 2012.

**NOTE 6 – LONG-TERM DEBT**

Whitcom had no long-term debt for 2012.

**NOTE 7 – COUNTY CASH EQUITY BALANCE CLOSURE**

As of January 1, 2012, Whitcom no longer maintains a cash equity balance with the county for banking or investment purposes. Toward this purpose, in January 2012, the county treasurer transferred monies equal to the sum of all cash equity balances as of 12/31/2011, whether available or invested, as shown on the county's general ledger pertaining to Whitcom, into a bank account owned by Whitcom. After implementation of this change in January 2012, Whitcom's on-going relationship with the county is that the county should remit to Whitcom all monies due to Whitcom upon their receipt at the county.



**NOTE 8 – NEW OPERATING BANK ACCOUNTS**

1. In January 2012, Whitcom began operating a new bank account that is the “General Bank Account” to manage Whitcom monies. The opening deposit of this bank account was \$1,229,250.58 cash equity monies transferred by the county’s bank account that were charged to Whitcom’s fund’s cash equity accounts on the county’s general ledger. The \$1,229,250.58 consisted of \$1,115,904.60 of the 2011 remaining ending balance of \$1,141,508.67 plus \$113,345.98 of 2012 revenue from E911 State Grant funds received 1/5/12. The remaining 2011 ending balance of \$25,604.07 was transferred by the County to Whitcom as \$25,448.34 on 3/13/12 and \$155.73 on 5/17/12.
2. In January 2012, Whitcom began operating a new bank account that will be the “Advance Travel Account”. This bank account will maintain an imprest amount of \$ 10,000.00.

**NOTE 9 – PENSION PLANS**

All Whitcom full-time employees participate in one of the statewide retirement systems 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 Whitcom’s financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by benefit plans.

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  
P. O. Box 48380  
Olympia WA 98504-8380.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Whitcom reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the *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.

Whitcom was established May 1, 2004 and operates under the laws of the State of Washington applicable to a Primary Safety Answering Point (PSAP) and E-911 emergency communications and dispatch center for all of Whitman County and the surrounding areas under the jurisdiction of the inter-local members of Whitman County, Washington State University and the City of Pullman and the contract subscribers of Asotin County, Washington and the City of Moscow, Idaho. Whitcom is governed by a six-member Executive Board composed of two voting members from each governing agency: Whitman County, Washington State University and the City of Pullman. Asotin County and the City of Moscow have non-voting ex-officio members. The Board appoints a Director to oversee the Center's day-to-day operations as well as its 22 employees.

Whitcom is a special purpose government and provides emergency response to the general public and is supported primarily through user charges, taxes and grants.

Whitcom uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2011

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the account 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 Whitcom also recognizes expenditures paid during thirty days after the close of the fiscal year for claims incurred during the previous period. Whitcom uses Whitman County as their treasurer and therefore uses the same open-period as the County.

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

Annual appropriated budgets are adopted for Whitcom funds. The financial statements include budgetary comparisons for those funds.

Annual appropriated budgets are adopted at the fund level, including the current expense fund. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for Whitcom funds lapse at the fiscal period end.

The appropriated and actual expenditures for the legally adopted 2011 budget were as follows:

Final Appropriated Amount	Actual Expenditures	Variance
\$3,439,552	\$2,011,017	\$1,428,535

The Director of Whitcom is authorized to transfer budgeted amounts between subfunds; however, any revisions that alter the total expenditure of the fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by Whitcom's Board of Directors.

WHITCOM  
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For the Year Ending December 31, 2011

d. Cash

Whitcom Executive Board directs the amount of surplus cash to invest. The amount is included in the net 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 general (current expense) fund.

e. Deposits

Whitcom deposits and certificates of deposits are covered by same Federal Deposit Insurance Corporation as Whitman County Treasurer, acting treasurer for Whitcom.

f. Investments See Note 3

g. Capital Assets

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

h. Compensated Absences

Vacation leave for dispatchers may be accumulated up to 240 hours and is payable upon separation or retirement. Administrative personnel are allowed to accrue up to 352 hours of leave.

Sick leave may be accumulated indefinitely. Upon separation employees do not receive payment for unused sick leave. Upon retirement sick leave may be converted as part of the retirement benefit.

i. Long-Term Debt

Whitcom had no long term debt in fiscal year 2011.

j. Risk Management

Whitcom is individually self-insured for 2011 through Washington Cities Insurance Authority, P. O. Box 88030, Tukwila, WA 98138. The insurance covers Boiler and Machinery within the building, Property, and Liability. The premium was paid January 3, 2011 and totaled \$23,102.00. Insurance is paid on an annual basis so coverage extends from January 1 to December 31.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2011

**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 Whitcom.

**NOTE 3 – INVESTMENTS**

Whitcom's investments are either insured, registered or held by Whitman County as Whitcom's agent. Whitman County, as an Agent for other Local Governments, invests funds in the Washington State Treasurer's Local Government Investment Pool.

Investment balances by type at December 31 are as follows:

<u>Type of Investment</u>	<u>2011 Balance</u>
L.G.I.P	\$36,471

**NOTE 4 – PROPERTY TAXES**

Whitcom does not levy property taxes.

**NOTE 5 – INTERFUND LOANS AND ADVANCES**

There were no interfund loans and/or advances for 2011.

**NOTE 6 – LONG-TERM DEBT**

Whitcom has no long-term debt at this time.

**NOTE 7 – PENSION PLANS**

All Whitcom full-time employees participate in one of the statewide retirement systems 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 Whitcom's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by benefit plans.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2011

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  
P. O. Box 48380  
Olympia WA 98504-8380.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Whitcom reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the *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.

Whitcom was established May 1, 2004 and operates under the laws of the State of Washington applicable to a Primary Safety Answering Point (PSAP) and E-911 emergency communications and dispatch center for all of Whitman County and the surrounding areas under the jurisdiction of the inter-local members of Whitman County, Washington State University and the City of Pullman and the contract subscribers of Asotin County, Washington and the City of Moscow, Idaho. Whitcom is governed by a six-member Executive Board composed of two voting members from each governing agency: Whitman County, Washington State University and the City of Pullman. Asotin County and the City of Moscow have non-voting ex-officio members. The Board appoints a Director to oversee the Center's day-to-day operations as well as its employees.

Whitcom is a special purpose government and provides emergency response to the general public and is supported primarily through user charges, taxes and grants.

Whitcom uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

The accounts of Whitcom are organized within a single operating fund. This fund is accounted for with a separate set of single-entry accounts that comprise its cash, investments, revenues and expenditures, as appropriate. Whitcom's resources are allocated to and accounted for in individual sub funds depending on their intended purpose. The following are the fund types used by Whitcom.

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2010

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the account 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 Whitcom also recognizes expenditures paid during thirty days after the close of the fiscal year for claims incurred during the previous period. Whitcom uses Whitman County as their treasurer and therefore uses the same open-period as the County.

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

Annual appropriated budgets are adopted for Whitcom funds as approved by the Executive Board.

An annual appropriated budget is adopted for the operational fund. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for Whitcom funds lapse at the fiscal period end.

The appropriated and actual expenditures for the legally adopted 2010 budget were as follows:

Final Appropriated Amount	Actual Expenditures	Variance
\$2,931,458	\$2,001,393	\$930,065

The Director of Whitcom is authorized to transfer budgeted amounts between subfunds; however, any revisions that alter the total expenditure of the fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by Whitcom's Board of Directors.



WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2010

d. Cash

Whitcom Executive Board directs the amount of surplus cash to invest. The amount is included in the net 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 general (current expense) fund.

e. Deposits

Whitcom deposits and certificates of deposits are covered by same Federal Deposit Insurance Corporation as Whitman County Treasurer, acting treasurer for Whitcom.

f. Investments See Note 3

g. Capital Assets

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

h. Compensated Absences

Vacation leave for dispatchers may be accumulated up to 240 hours and is payable upon separation or retirement. Administrative personnel are allowed to accrue up to 352 hours of leave.

Sick leave may be accumulated indefinitely. Upon separation employees do not receive payment for unused sick leave. Upon retirement sick leave may be converted as part of the retirement benefit.

i. Long-Term Debt

Whitcom had no long term debt in fiscal year 2010.

j. Risk Management

Whitcom is individually self-insured for 2010 through Washington Cities Insurance Authority, P. O. Box 88030, Tukwila, WA 98138. The insurance covers Boiler and Machinery within the building, Property, and Liability. The premium was paid January 4, 2010 and totaled \$23,407.00. Insurance is paid on an annual basis so coverage extends from January 1 to December 31.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2010

**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 Whitcom.

**NOTE 3 – INVESTMENTS**

Whitcom's investments are either insured, registered or held by Whitman County as Whitcom's agent. Whitman County, as an Agent for other Local Governments, invests funds in the Washington State Treasurer's Local Government Investment Pool.

Investment balances by type at December 31 are as follows:

<u>Type of Investment</u>	<u>2010 Balance</u>
L.G.I.P	\$36,436

**NOTE 4 – PROPERTY TAXES**

Whitcom does not levy property taxes.

**NOTE 5 – INTERFUND LOANS AND ADVANCES**

There were no interfund loans and/or advances for 2010.

**NOTE 6 – LONG-TERM DEBT**

Whitcom has no long-term debt at this time.

**NOTE 7 – PENSION PLANS**

All Whitcom full-time employees participate in one of the statewide retirement systems 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 Whitcom's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by benefit plans.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2010

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  
P. O. Box 48380  
Olympia WA 98504-8380.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2009

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Whitcom reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the *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.

Whitcom was established May 1, 2004 and operates under the laws of the State of Washington applicable to a Primary Safety Answering Point (PSAP) and E-911 emergency communications and dispatch center for all of Whitman County and the surrounding areas under the jurisdiction of the inter-local members of Whitman County, Washington State University and the City of Pullman and the contract subscribers of Asotin County, Washington and the City of Moscow, Idaho. Whitcom is governed by a six-member Executive Board composed of two voting members from each governing agency: Whitman County, Washington State University and the City of Pullman. Asotin County and the City of Moscow have non-voting ex-officio members. The Board appoints a Director to oversee the Center's day-to-day operations as well as its 22 employees.

Whitcom is a special purpose government and provides emergency response to the general public and is supported primarily through user charges, taxes and grants.

Whitcom uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2009

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the account 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 Whitcom also recognizes expenditures paid during thirty days after the close of the fiscal year for claims incurred during the previous period. Whitcom uses Whitman County as their treasurer and therefore uses the same open-period as the County.

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

Annual appropriated budgets are adopted for Whitcom funds. The financial statements include budgetary comparisons for those funds.

Annual appropriated budgets are adopted at the fund level, including the current expense fund. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for Whitcom funds lapse at the fiscal period end.

The Director of Whitcom is authorized to transfer budgeted amounts between subfunds; however, any revisions that alter the total expenditure of the fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by Whitcom's Board of Directors.

d. Cash

Whitcom Executive Board directs the amount of surplus cash to invest. The amount is included in the net 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 general (current expense) fund.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2009

e. Deposits

Whitcom deposits and certificates of deposits are covered by same Federal Deposit Insurance Corporation as Whitman County Treasurer, acting treasurer for Whitcom.

f. Investments See Note 3

g. Capital Assets

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

h. Compensated Absences

Vacation leave for dispatchers may be accumulated up to 240 hours and is payable upon separation or retirement. Administrative personnel are allowed to accrue up to 352 hours of leave.

Sick leave may be accumulated indefinitely. Upon separation employees do not receive payment for unused sick leave. Upon retirement sick leave may be converted as part of the retirement benefit.

i. Long-Term Debt

Whitcom had no long term debt in fiscal year 2009.

j. Risk Management

Whitcom is individually self-insured for 2009 through Washington Cities Insurance Authority, P. O. Box 88030, Tukwila, WA 98138. The insurance covers Boiler and Machinery within the building, Property, and Liability. The premium was paid January 12, 2009 and totaled \$24,560.00. Insurance is paid on an annual basis so coverage extends from January 1 to December 31.

## **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 Whitcom.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2009

**NOTE 3 – INVESTMENTS**

Whitcom's investments are either insured, registered or held by Whitman County as Whitcom's agent. Whitman County, as an Agent for other Local Governments, invests funds in the Washington State Treasurer's Local Government Investment Pool.

Investment balances by type at December 31 are as follows:

<u>Type of Investment</u>	<u>2009 Balance</u>
L.G.I.P	\$36,397

**NOTE 4 – PROPERTY TAXES**

Whitcom does not levy property taxes.

**NOTE 5 – INTERFUND LOANS AND ADVANCES**

There were no interfund loans and/or advances for 2009.

**NOTE 6 – LONG-TERM DEBT**

Whitcom has no long-term debt at this time.

**NOTE 7 – PENSION PLANS**

All Whitcom full-time employees participate in one of the statewide retirement systems 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 Whitcom's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by benefit plans.

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  
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P. O. Box 48380  
Olympia WA 98504-8380.

WHITCOM  
Pullman, Washington  
Notes to the Financial Statements  
For the Year Ending December 31, 2009

**NOTE 8 – OTHER DISCLOSURES**

Whitcom has an overpayment amount of \$6,110.79 to an employee for 99.50 hours of sick leave that was a negative balance. The employee was let go from Whitcom in July 2009 and the amount was unable to be recouped by Whitcom or by WSU.



MCAG NO. 2860

Schedule 09

WHITCOM  
SCHEDULE OF LONG-TERM LIABILITIES  
For the Year Ended December 31, 2012

ID. No.	Description	Maturity/Payment Due Date __/__/20__	Beginning Balance 01/01/2012	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance 12/31/2012
259.11	Compensated Absences		74,767	22			74,789

WHITCOM  
SCHEDULE OF LONG-TERM LIABILITIES  
For the Year Ended December 31, 2011

ID. No.	Description	Maturity/Payment Due Date __/__/20__	Beginning Balance 01/01/2011	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance 12/31/2011
259.11	Compensated Absences		71,127	3,640			74,767

WHITCOM  
SCHEDULE OF LONG-TERM LIABILITIES  
For the Year Ended December 31, 2010

ID. No.	Description	Maturity/Payment Due Date __/__/20__	Beginning Balance 01/01/2010	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance 12/31/2010
259.11	Compensated Absences		57,318	13,809			71,127

## 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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

Contact information for the State Auditor's Office	
<b>Deputy Director for Communications</b>	Thomas Shapley <a href="mailto:Thomas.Shapley@sao.wa.gov">Thomas.Shapley@sao.wa.gov</a> (360) 902-0367
<b>Public Records requests</b>	(360) 725-5617
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>