

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 58914

WASHINGTON COUNTIES RISK POOL

October 1, 1996 Through September 30, 1997

Issue Date: February 5, 1998

TABLE OF CONTENTS

	Page
Management Section	
<hr/>	
Independent Auditor's Report On Compliance With State Laws And Regulations	M-1
Financial Section	
<hr/>	
Independent Auditor's Report On Financial Statements And Supplementary Information	F-1
Financial Statements:	
Balance Sheet - 1997 And 1996	F-2
Statement Of Revenues And Expenses And Changes In Members' Retained Earnings - 1997 And 1996	F-3
Statement Of Cash Flows - 1997 And 1996	F-4
Notes To Financial Statements	F-5
Supplementary Information:	
Required Supplementary Information	F-12
Claims Development	F-13
Addendum	
<hr/>	
Directory Of Officials	A-1

WASHINGTON COUNTIES RISK POOL
October 1, 1996 Through September 30, 1997

**Independent Auditor's Report On Compliance With State
Laws And Regulations**

Mike Shelton, President of the Board of Directors
Washington Counties Risk Pool
Tumwater, Washington

We have audited the financial statements, as listed in the table of contents, of the Washington Counties Risk Pool, as of and for the fiscal year ended September 30, 1997, and have issued our report thereon dated January 27, 1998.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the risk pool complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the risk pool's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the risk pool and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the risk pool complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the risk pool had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the board of directors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM
STATE AUDITOR

January 27, 1998

WASHINGTON COUNTIES RISK POOL
October 1, 1996 Through September 30, 1997

Independent Auditor's Report On Financial Statements And Supplementary Information

Mike Shelton, President of the Board of Directors
Washington Counties Risk Pool
Tumwater, Washington

We have audited the accompanying financial statements of the Washington Counties Risk Pool, as of and for the fiscal year ended September 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the risk pool's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Washington Counties Risk Pool, at September 30, 1997, and the results of its operations and cash flows for the fiscal year then ended, in conformity with generally accepted accounting principles.

We have also previously audited, in accordance with generally accepted auditing standards, the financial statements as of and for the years ended September 30, 1989 through 1996 (none of which are presented herein); and we expressed unqualified opinions on those financial statements.

In our opinion, the information set forth in the required supplementary information for each of the years included in the claims development information is fairly stated, in all material respects, in relation to the financial statements from which it was derived.

BRIAN SONNTAG, CGFM
STATE AUDITOR

January 27, 1998