

**Washington State Auditor's Office**  
**Report on Financial Statements Audit**

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**Washington Counties Risk Pool**  
**Thurston County**

Audit Period  
October 1, 2002 through September 30, 2003

Report No. 66697

Issue Date  
June 4, 2004



Washington \_\_\_\_\_  
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June 4, 2004

Board of Directors  
Washington Counties Risk Pool  
Tumwater, Washington

***Report on Financial Statements***

Please find attached our report on the Washington Counties Risk Pool's financial statements.

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

In addition to this work, we look at other areas of our audit clients' operations for compliance with state laws and regulations. The results of that review will be included in our regular audit report, which will be issued separately.

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

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Thurston County  
October 1, 2002 through September 30, 2003**

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

## Washington Counties Risk Pool Thurston County October 1, 2002 through September 30, 2003

Board of Directors  
Washington Counties Risk Pool  
Tumwater, Washington

We have audited the general purpose financial statements of the Washington Counties Risk Pool, Thurston County, Washington, as of and for the years ended September 30, 2003 and 2002, and have issued our report thereon dated January 13, 2004. We conducted our audit in accordance with governmental auditing standards generally accepted in the United States of America, issued by the Comptroller General of the United States.

### **COMPLIANCE**

As part of obtaining reasonable assurance about whether the Pool's financial statements are free of material misstatements, we performed tests of the Pool's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with these provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of material noncompliance that are required to be reported herein under *Government Auditing Standards*.

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

In planning and performing our audit, we considered the Pool's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management and the Board of Directors. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

January 13, 2004

# Independent Auditor's Report on Financial Statements

## Washington Counties Risk Pool Thurston County October 1, 2002 through September 30, 2003

Board of Directors  
Washington Counties Risk Pool  
Tumwater, Washington

We have audited the accompanying general purpose financial statements of the Washington Counties Risk Pool, Thurston County, Washington, as of and for the years ended September 30, 2003 and 2002, as listed on page 4. These financial statements are the responsibility of the Pool's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our financial audit in accordance with governmental auditing standards generally accepted in the United States of America, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Washington Counties Risk Pool, as of September 30, 2003 and 2002, and the changes in financial position and cash flows, where applicable, thereof, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* in the United States of America, we will issue our report on our consideration of the Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The 10-year Claims Development Information is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

January 13, 2004

# General Purpose Financial Statements

**Washington Counties Risk Pool  
Thurston County  
October 1, 2002 through September 30, 2003**

## ***GENERAL PURPOSE FINANCIAL STATEMENTS***

Balance Sheet – 2003 and 2002

Statement of Revenues and Expenses and Changes in Members' Retained Earnings – 2003 and 2002

Statement of Cash Flows – 2003 and 2002

Notes to Financial Statements – 2003

## ***SUPPLEMENTAL INFORMATION***

Ten Year Claims Development Information – 1994 through 2003