

**Okanogan Conservation District
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2010

BARS CODE		Total Amount
Beginning Cash and Investments		
308.10	Reserved	\$4,030
308.80	Unreserved	\$0
388.80 or 588.80	Prior Period Adjustments	\$0
Revenues and Other Sources		
330	Intergovernmental Revenues	594,024
340	Charges for Goods and Services	19,244
360	Miscellaneous	121,316
390	Other Financing Sources	11,000
Total Revenues and Other Financing Sources		745,584
Total Resources		749,614
Operating Expenditures:		
530	Physical Environment	451,803
598	Other Expenditures	256,075
Total Operating Expenditures		707,878
591-592	Debt Service	11,329
594	Capital Outlay	0
Total Expenditures		719,206
Excess (Deficit) of Resources Over Uses		30,408
380	Nonrevenues (Except 384)	24,954
580	Nonexpenditures (Except 584)	1,080
Ending Cash and Investments:		\$54,282
508.10	Reserved	54,282
508.80	Unreserved	\$0

The accompanying notes are an integral part of this statement.

Fund Number	Fund Name	Account Code	Account Title	Actual Amount
001	General Fund	3088001	Unreserved Beginning - Checking	3239
001	General Fund	3088002	Unreserved Beginning - Petty Cash	200
001	General Fund	3088003	Unreserved Beginning - Investments	591
001	General Fund	3311500	Federal Grant from Bureau of Land Management	13487
001	General Fund	3331060	Indirect Federal Grant from Skagit Conservation District	3324
001	General Fund	3331144	Indirect Federal Grant from WA Department of Ecology	4906
001	General Fund	3336643	Indirect Federal Grant from WA Department of Ecology	11534
001	General Fund	3336646	Indirect Federal Grant from WA Department of Ecology	49791
001	General Fund	3338138	Indirect Federal Grant from Bonneville Power Administration	24022
001	General Fund	3338145	Indirect Federal Grant from Bonneville Power Administration	23028
001	General Fund	3340250	State grant from WA Department of Fish & Wildlife	10012
001	General Fund	3340253	State grant from WA Department of Fish & Wildlife/Upper Columbia Regional Enhancement Group	8073
001	General Fund	3340310	State grant from WA Department of Ecology	72119
001	General Fund	3340331	State grant - Basic Allotment	20290
001	General Fund	3340333	State grant from Conservation Commission	268849
001	General Fund	3370793	County funds from Grant Co PUD/PRCC	5477
001	General Fund	3370993	Intergovernmental funds from Natural Resources Conservation Service - TSP	1190
001	General Fund	3380002	Intergovernmental funds from Colville Confederated Tribes	77002
001	General Fund	3416011	Printing and Duplicating Services	225
001	General Fund	3431110	Sale of Plant Materials	18578
001	General Fund	3431120	Sale of Products	441
001	General Fund	3611110	Interest on Checking Account	229
001	General Fund	3611190	Interest on Savings Account	2
001	General Fund	3671112	Contributions from Private Sources	920
001	General Fund	3685000	Special Assessment	120795
001	General Fund	3690000	Other Miscellaneous Revenues	290
001	General Fund	3860000	Nonrevenues - Sales Tax	995
001	General Fund	3890000	Nonrevenues - Other	23959
001	General Fund	3919000	Proceeds from Other Debt	11000
				774568

Fund Number	Fund Name	Account Code	Account Title	Actual Amount
001	General Fund	5088000	Unreserved ending balance - Checking	43489
001	General Fund	5088001	Unreserved ending balance - Petty Cash	200
001	General Fund	5088002	Unreserved ending balance - LGIP	593
001	General Fund	5088003	Unreserved ending balance - CD	10000
001	General Fund	5311110	Conservation Salaries	103450
001	General Fund	5311120	Conservation Personnel Benefits	19705
001	General Fund	5311131	Office and Operating Supplies	2188
001	General Fund	5311141	Professional Services	24824
001	General Fund	5311142	Communication	2811
001	General Fund	5311143	Travel & Training	11417
001	General Fund	5311144	Election Advertising	395
001	General Fund	5311146	Insurance	7896
001	General Fund	5311149	Miscellaneous	6001
001	General Fund	5311150	Assessment Implementation Fees	5855
001	General Fund	5311548	Maintenance - Repair & Maintenance	7832
001	General Fund	5311710	Conservation Salaries	14368
001	General Fund	5311720	Conservation Personnel Benefits	2737
001	General Fund	5311731	Operating Supplies	1543
001	General Fund	5311744	Advertising	799
001	General Fund	5311745	Rentals	485
001	General Fund	5311810	Conservation Salaries	169544
001	General Fund	5311820	Conservation Personnel Benefits	32294
001	General Fund	5311831	Operating Supplies	4624
001	General Fund	5311832	Fuel Consumed	4184
001	General Fund	5311834	Supplies Purchased for Resale	17925
001	General Fund	5311841	Professional Services	6892
001	General Fund	5311842	Communication	214
001	General Fund	5311843	Travel & Training	3660
001	General Fund	5311841	Permit Fees	159
001	General Fund	5860000	State Sales Tax	1080
001	General Fund	5913100	Redemption of Debt	11000
001	General Fund	5923100	Interest and Other Debt Service Costs	329
001	General Fund	5983101	Pass Through Funds	5000
001	General Fund	5989600	Cost Share Program	251075
				774568

OKANOGAN CONSERVATION DISTRICT
 SCHEDULE OF LONG-TERM Liabilities
 For The Year Ended December 31, 2010

		(1)	(2)	(3)		(4)
ID. No.	Description	Beginning Balance 01/01/2010	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance Debt 12/31/2010 (1)+(2)-(3)
259.11	Vacation & sick leave		67072			67072

**OKANOGAN CONSERVATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010**

1 Federal Agency Name/Pass-Through Agency Name	2 Federal Program Name	3 CFDA Number	4 Other I.D. Number	5 Expenditures			6 Foot-note Ref.
				From Pass-Through Awards	From Direct Funds	Total	
WA Dept of Ag/USDA Forest Service/WA State Conservation Commission/Skagit Conservation District	Firewise	10.664		\$ 1,787		\$ 1,787	
Dept. of Commerce / Pass through from WA Dept of Ecology	Pacific Coast Salmon Recovery - P. Salmon Treaty	11.438	G1000094	\$ 4,099		\$ 4,099	
Environmental Protection Agency / Pass-through from WA Dept of Ecology	Nonpoint Source Implementation Grants	66.460	G0900080	\$ 48,374		\$ 48,374	
Bonneville Power Administration	BPA Intergovernmental Contract-Okanogan Livestock & Water	81.38970	00038970	\$ 1,524		\$ 1,524	
Bonneville Power Administration	BPA Intergovernmental Contract-Okanogan Livestock & Water	81.45994	00045994	\$ 25,350		\$ 25,350	
TOTAL FEDERAL AWARDS EXPENDED				\$ 81,134	\$ -	\$ 81,133	

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF ACCOUNTING

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

SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE

For The Year Ended December 31, 2010

1 Grantor/Program Title	2 Identification Number	3 Current Year Expenditures
WA Department of Fish & Wildlife	10-1193	\$15,185
WA Depart. of Ecology/Okanogon Co. Technical Assistance II	G0900079	\$71,403
WA State Conservation Commission/Basic Allotment		\$10,000
WA State Conservation Commission/Technical Service Provider	10-19-TB	\$1,142
WA State Conservation Commission/Conservation Resource Enhancement Program	10-19-CR	\$6,855
WA State Conservation Commission/Conservation Resource Enhancement Program	11-19-CR	\$6,245
WA State Conservation Commission/Conservation Resource Enhancement Program Cost Share	10-19-CS	\$1,715
WA State Conservation Commission/Irrigation Efficiencies	10-19-IE	\$42,820
WA State Conservation Commission/Water Quality Implementation	10-19-IM	\$64,696
WA State Conservation Commission/Water Quality Implementation	11-19-IM	\$22,876
WA State Conservation Commission/Livestock	10-19-LC	\$23,947
WA State Conservation Commission/Crop Mapping Project	10-19-LF	\$1,500
WA State Conservation Commission/Livestock	10-19-LT	\$22,281
Total Awards		\$290,665.50

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS

NOTE 1 - BASIS OF ACCOUNTING

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

LABOR RELATIONS CONSULTANT(S)

For the Year Ended December 31, 20XX

Has your government engaged labor relations consultants?

_____ Yes X No

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

Name Of Firm
Name Of Consultant
Business Address
Amount Paid To Consultant During Fiscal Year
Terms And Conditions, As Applicable, Including: Rates (E.g., Hourly, Etc) _____ Maximum Compensations Allowed _____ Duration Of Service _____ Services Provided _____ _____

Certified Correct this <u> 20th </u> day of <u> April </u> , <u> 2011 </u> to the best of my knowledge and belief:	
Signature	<u> Kimberly A. Simpson </u>
Name	<u> Kim Simpson </u>
Title	<u> District Treasurer </u>

LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 2010

Program Manager: Craig T. Nelson

Address: 1251 2nd Avenue South, Okanogan, WA 98840

Phone: (509) 422-0855 ext. 110

Email: craign@okanogancd.org

- 1. NO 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. 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. Does the entity self-insure as a joint program? (yes/no)
 - i. If answered YES, list the other member(s): _____

2. ____ Does the entity administer its own claims? (yes/no)
3. ____ Does the entity contract with a third party administrator for claims administration? (yes/no)
4. ____ Did the entity receive a claims audit in the last three years, regardless of who administered the claims? (yes/no)
5. ____ Were the program's revenues sufficient to cover the program's expenses? (yes/no)
6. ____ Did the program use an actuary to determine its liabilities? (yes/no)

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period

SCHEDULE 22 – ANNUAL QUESTIONNAIRE FOR AUDIT ASSESSMENT

Reference	Question	Answer
CASH & INVESTMENTS		
BARS	1. Are county treasurer reports or District treasurer reports reviewed by the Board at least monthly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	2. Are original bank statements and reconciliations reviewed by a Board member or a Board's designee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	3. Are all bank accounts in the name of the District?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	4. Are all authorized signers on the bank accounts current?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	5. Are inactive accounts closed? There are no inactive accounts.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA
Chapter 39.58 RCW	6. Are all funds held in approved financial institutions?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
SAFEGUARDING OF ASSETS		
Best Practice	7. Does the District have an asset management policy that includes small and attractive assets?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	8. Does the District perform a periodic inventory of capital assets?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	9. Does the District perform a periodic inventory of small and attractive assets?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	10. Has the District reported any missing assets to police or insurance providers during the past year? The district has not had any missing assets during the past year.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA
RCW 43.09.180	11. Has the District reported all known and suspected losses to the State Auditor's Office? The District has not had any losses during the past year.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA
Chapter 39.04 RCW	12. Has the District established a policy for procurement of public works and purchases of equipment, materials and supplies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
CONFLICT OF INTEREST		
Best Practice	13. If the District does business with a Board member is there a policy in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 42.23.030	14. Has the District done any business other than cost share with Supervisors during the last year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
RCW 42.23.030 and 89.08.220(4)	15. Do Supervisors have any beneficial interest in contracts or cost-sharing agreements beyond what is allowed by statute?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	16. Do District employees have any beneficial interest in contracts or cost-sharing agreements beyond what is allowed by statute?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	17. Do any District employees supervise relatives?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA

Constitution Article VIII Section 7	18. Has the District loaned money to any individuals or groups?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
RCW 42.23.030	19. If a Supervisor has accepted cost share, do District meeting minutes note he/she abstained from authorization, approval, or ratification of the contract?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 42.23.030	20. Are there District's contracts exceeding \$1,500 per month (in total for each Board member) with associate Supervisors, employees, or their spouses or dependent children?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
RCW 42.23.030	21. Does the District maintain a list of these special contracts? – The district does not have any of these special contracts.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
REVENUE		
RCW 89.08.220	22. Do the Supervisors approve a yearly budget which details expected revenue sources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	23. Do Supervisors review the yearly budget at the close of the fiscal year and examine revenues that are less than expected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	24. Is money received from all sources recorded in the receipt book?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	25. Are receipts periodically reconciled to deposits by a person with no cash handling responsibilities?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 43.09.240	26. Are deposits made within 24 hours of receipt?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	27. Is cash on hand physically secured to prevent unauthorized access?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	28. Is the mode of payment noted on the receipt (cash, check, EFT, direct deposit)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
EXPENDITURES		
Best Practice	29. Are Supervisors informed on a regular basis of District activities that result in expenditures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS and RCW 42.24.180	30. Were conditions of RCW 42.24.180 met for any expenditures made prior to approval by the Board?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	31. Are procedures in place to check payroll payments to supporting documents?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	32. Are reports showing leave accruals, usage and the balance periodically reported and reviewed for reasonableness by the Board?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	33. Is all leave approved?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	34. If the District acts as its own treasurer, does the Board review a check register at every meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	35. If the District acts as its own treasurer, does a Supervisor, employee, or designee with no ability to issue payments trace all checks cleared per bank statements to canceled warrants and the check register presented to the Board?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	36. If the county acts as the District's treasurer, does the Board review a county treasurer warrant register report at every meeting?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA
FINANCIAL HEALTH		
Best Practice	37. Is the District currently involved in any lawsuits?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	38. Did the District use any temporary financing sources (registered warrants, lines of credit, or short-term loans) during the course of the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
INSURANCE/BONDING (BONDING, SELF-INSURANCE)		
BARS	39. Are all persons who handle public funds or sign checks bonded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA

OPEN PUBLIC MEETINGS AND RECORDS		
RCW 89.08.210	40. Are official minutes of all regular and special Board meetings available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 89.08.210	41. Are all motions made, seconded, and passed (or not passed) recorded in minutes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	42. Are resolutions such as setting your election kept with the minutes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 42.30.070	43. Does the District keep the public informed of the time and place of all meetings or gatherings of three or more Supervisors?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 89.08.200	44. Do all official actions of the Board occur when a quorum of Supervisors is present and in open public meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 42.30.110	45. Does the Board follow the Open Public Meeting Act for going into, coming out of and recording time and purpose of executive sessions?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 42.14.250-.348	46. Does the District comply with the Public Records Act by providing records requested in accordance with the law including written procedures for handling requests?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
SAFEGUARDING DISBURSEMENTS		
BARS	47. Are all checks accounted for (including unused/voided/cancelled checks)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	48. Are voided checks physically altered and available for inspection?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	49. Do cancelled checks contain at least two approved signatures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	50. Checks are always filled out before they are signed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	51. Is at least one signatory on each check a Board member?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	52. Are fronts and backs of cancelled checks available for inspection?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	53. Is the check register up-to-date and balanced at least monthly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	54. Are unexpected and unusual payees analyzed at each Board meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	55. Does the District have a travel reimbursement policy for Supervisors and employees?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	56. Does the District have policies and procedures for appropriate use of credit cards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	57. Do all credit cards and vendor charge accounts show the name of the District on them?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	58. Are original receipts filed with the District for all credit card purchases?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	59. Are all outstanding loan and credit card balances reported to the Board monthly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	60. Are credit card account activities reviewed by the Board for reasonableness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	61. If cell phones are provided to employees, are there written policies and procedures for personal usage? The district does not provide cell phones to employees.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA
BARS	62. If vehicles are provided to employees, are there written policies and procedures for personal usage?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	63. Are vehicle mileage logs checked for reasonable fuel consumption?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	64. Does your District use a petty cash account or fund?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	65. Is there a Board resolution on file that authorizes a petty cash account and amount?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	66. Is the petty cash in the box maintained at the amount authorized by the Board?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	67. Is petty cash physically secured to prevent unauthorized access?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	68. Is a separate balance book used for petty cash?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA

BARS	69. Is petty cash reconciled at least monthly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	70. Does the cash in the box match the balance in the petty cash balance book?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	71. Are petty cash reimbursements reviewed for reasonableness and for adequate supporting documentation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Chapter 43.09 RCW	72. Does the government authorize each petty cash amount in which local legislation is officially enacted?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	73. Does the District have an appointed custodian for each petty cash account, and are their actions as custodian subject to review by some other personnel?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	74. Is the amount in petty cash periodically counted and reconciled by someone other than the custodian?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	75. Is petty cash replenished periodically by warrant or check payable to the custodian?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	76. Does the amount of petty cash exceed one month's salary or the surety bond covering of the custodian?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
BARS	77. Is petty cash replenished at the end of the fiscal year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	78. Upon termination of the appointed custodian, is the fund replenished and the impress amount turned over to the treasurer or other disbursing officer?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
QUESTIONS FROM COMMISSION'S DOR & INTERNAL AUDIT		
Best Practice	79. Do you have a policy manual that covers the District's operations?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Advised	80. Has the Board reviewed Chapter 89.08 RCW, the Conservation Districts Law sections 210 and 220, since the last District operations review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 89.08.220	81. Is the Districts long-range plan current, in the correct format, and on file with the Commission?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 89.08.220	82. Is the Districts annual work plan current and on file with the Commission?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 89.08.341	83. Does the District have current written agreements with all conservation partners where resources are exchanged?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
RCW 4.96.020	84. Has the District established a claims agent with the county auditor?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Advised	85. Does the District have a training plan for Supervisors and employees? This plan is in process.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Americans with Disabilities Act	86. Does the District make its offices, meeting and programs accessible to the public?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Advised	87. Has the District addressed any findings, management letters, or exit comments made by the State Auditor's Office during the last audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Advised	88. Does the District have the required posters as shown on the list on the Department of Licensing website?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Advised	89. Are treasurer reports included with the minutes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	90. Is sales tax listed on a separate line on receipts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	91. Are deposits held in a sealed bag or similar secure containers until deposited?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Best Practice	92. Are deposits made by someone other than the person who receipted the money? Since staff is small we implemented a process discussed with the State Auditor.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
L&I	93. Were quarterly payments filed with the Department of Labor and Industries and match payroll records?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
ESD	94. Was unemployment insurance paid for all employees to Employment Security Department. and payments match payroll records?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
IRS	95. Were tax withholding payments made to the Internal Revenue Service and match payroll records?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
IRS	96. Were payments made to Social Security/Medicare or to a qualified retirement plan and match payroll records?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
BARS	97. If sales tax was collected, was it remitted to the Department of Revenue?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
	98. How many employees the District had as of December 31?	_____ 8 _____

NOTES TO SCHEDULE 22

Please provide explanations to any NO answers.

Question#	Explanation
_21_____	The district does not have any of these special contracts.
_35_____	Since all of the District supervisors and the District manager are check signers and our staff is small this is not possible. The District Treasurer who is not a check signer creates the checks and the District Auditor who is a check signer reviews the cancelled checks, bank statements and treasurer's report and verifies that the cleared checks correspond with the treasurer's report and bank statements. The treasurer's report is also reviewed by all board members at each board meeting.
_85_____	The District does not currently have a training plan in place for Supervisors and employees, but is in the process of creating one.
_92_____	Since the District staff is small, the district implemented a process that was discussed with the State Auditor. A journal is kept by the Administrative Coordinator of all funds received; the District Treasurer writes the receipts for the funds and makes the deposits. The Administrative Coordinator compares the ledger with the bank statements and treasurer's report.

DISTRICT ACTION PLAN

Include District Action Plan that addresses deficiencies noted above. Action plan must be adopted by the District Board.

STATUS OF PRIOR ACTION PLAN

For this year include action plans from any internal audit or District operation review.

Develop a training plan for District Supervisors and Employees.

REPRESENTATIONS

I do hereby certify under penalty of perjury that the following representations are true and accurate, to the best of my knowledge and belief, having made all appropriate inquiries in order to provide such representation:

1. Information given in the annual report, including Schedule 22 and any attachments, is complete, true, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual.
2. We acknowledge and understand that management and the governing body are responsible for the design and implementation of policies and procedures to safeguard public resources and ensure compliance with applicable laws and regulations, including internal controls to prevent and detect fraud.
3. We acknowledge and understand that management and the governing body are responsible for complying with applicable state and local laws and regulations.
4. The District has complied with contract provisions and all applicable state laws, with the following exceptions:

Preparer	Name <i>Kimberly A. Simpson</i>	Date <i>4/7/11</i>
Board Member	Name <i>Juan O. Lopez</i>	Date <i>4/7/11</i>
District Auditor	Name <i>[Signature]</i>	Date <i>4/7/11</i>
District Treasurer	Name <i>Kimberly A. Simpson</i>	Date <i>4/7/11</i>
District Manager	Name <i>Harvey J. Moon</i>	Date <i>4/7/11</i>
Telephone Number	<i>509-422-0855</i>	Email <i>kims@okanogancd.org</i>
District Mailing Address <i>1251 2nd Ave South, Rm 101, Okanogan, WA 98840</i>		

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

The Okanogan Conservation District was established in 1977 (made up of 7 local conservation districts dating back to 1940) and operates under the laws of the state of Washington applicable to a conservation district.

a. **Reporting Entity**

The Okanogan Conservation District is a special purpose government and provides conservation education and technical and financial assistance to the general public for natural resource conservation and is supported primarily through grants from various state, local and federal agencies, and a special assessment.

b. **Basis of Accounting**

The Okanogan Conservation District reports financial activity using the revenue and expenditure classifications, statements and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting System (BARS)* manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The accounts of the Okanogan Conservation District are maintained on the basis of funds. For reporting purposes, the activities of all the Okanogan Conservation District's funds are combined.

The Okanogan Conservation District uses the cash basis of accounting where revenues are recognized only when received and expenditures are recognized when paid.

c. **Cash**

It is the Okanogan Conservation District's policy to invest all temporary cash surpluses. The amount is included on the statement of resources and uses arising from cash transactions as net cash and investments.

d. **Deposits**

The Okanogan Conservation District deposits and certificates of deposit are covered by (the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission).

NOTES TO FINANCIAL STATEMENTS

e. Capital Assets

Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are recorded as expenses when purchased. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid.

f. Reserved Fund Balance

The Okanogan Conservation District does not have any restricts on fund balance.

g. Compensated Absences

Vacation pay may be accumulated up to 240 hours per calendar year. An employee may accrue more than 240 hours during any given year, but the excess over 240 hours must be used prior to the end of each calendar year and is payable upon separation or retirement. The District's estimated liability for vacation leave benefits on December 31, 2010 was \$26,925.67.

Sick leave may accumulate up to 500 days per calendar year, but the excess over 500 hours must be used prior to the end of each calendar year or the excess will be forfeited without compensation. Upon separation or retirement employees do not receive payment for unused sick leave. The District's estimated liability for sick leave benefits on December 31, 2010 was \$39,712.21.

NOTE 2 – INVESTMENTS

The Okanogan Conservation District's investments are insured, registered or held by the District or its agent in the Okanogan Conservation District's name.

Investments by type at December 31, 2010 are as follows:

<u>Type of Investment</u>	<u>Balance</u>
Local Government Investment Pool	\$592.66

NOTE 3 – ASSESSMENTS

Special assessments are authorized by RCW 89.08.400 to be imposed for conservation districts. Activities and programs to conserve natural resources, including soil and water, are of special benefit to lands and may be used as the basis upon which special assessments are imposed.

NOTES TO FINANCIAL STATEMENTS

A special assessment to finance activities and programs to conserve natural resources, including soil and water has been imposed for the period of 2007 through 2016 and in the amount of \$2.40 per parcel and .04 cents per acre for all classified parcels within the District's boundaries, including those owned by the State of Washington for which the Assessor has parcel numbers and mailing addresses, except the forest lands (classified under RCW 84.33 and RCW 84.34) which are assessed a rate of \$3.00 per landowner and one-tenth of the weighted average per acre rate of all other assessed lands.

NOTE 4 – LONG-TERM DEBT

As of December 31, 2010 the District had no long-term debt.

NOTE 4 – SHORT-TERM DEBT

As of December 31, 2010 the District had no short-term debt. The Okanogan Conservation District has access to a Line of Credit of \$30,000 through the North Cascades National Bank to assist with cash flow. During 2010 the District used \$11,000, but paid down the balance before the end of the year. Short-term activities for the year ended December 31, 2010 were as follows:

Debt	Beginning Balance 01/01/2010	Issued	Redeemed	Ending Balance 12/31/2010
0.00	0.00	\$11,000.00	\$11,000.00	0.00

NOTE 6 – PENSION PLANS

Substantially all of the Okanogan Conservation District's full-time and qualifying part-time employees participate in the PERS 1 and PERS 2 of the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the Okanogan Conservation District'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 state department of Retirement Systems annual financial report. A copy of this report may be obtained at:

Depart of Retirement Systems
Communication Unit
PO Box 48380
Olympia, WA 98504-8380

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – OTHER DISCLOSURES

The district has no other disclosures to make.

FINANCIAL NOTE TO MEMBERS ANNUAL REPORT 2010

The following is a financial note to incorporate in your annual/financial report. This note satisfies the State Auditor's requirement regarding pool membership and self-insurance.

Financial Note to Enduris Member Financial Statements

Okanogan Conservation District is a member of Enduris. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entity to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. Enduris was formed July 10, 1987, when two (2) counties and two (2) cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2010, there are 451 Enduris members representing a broad range of special purpose districts.

Enduris allows members to jointly purchase excess insurance coverage, share in the self-insured retention, establish a plan for total self-insurance, and provide excellent risk management services and other related services. Enduris provides "occurrence" policies for all lines of liability coverage including Public Official's Liability. The Property coverage is written on an "all risk" basis blanket form using current Statement of Values. The Property coverage includes mobile equipment, electronic data processing equipment, valuable papers, building ordinance coverage, property in transit, extra expense, consequential loss, accounts receivable, fine arts, inventory or appraisal cost, automobile physical damage to insured vehicles. Boiler and machinery coverage is included on a blanket limit of \$100 million for all members. Enduris offers employee dishonesty coverage up to a liability limit of \$1,000,000.

Members make an annual contribution to fund Enduris. Enduris acquires insurance from unrelated insurance companies that is subject to a "per occurrence":

\$750,000 deductible on liability loss (9/1/09-12/31/09) - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$749,000 on liability loss;
\$1,000,000 deductible on liability loss (1/1/10-8/31/10) - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$999,000 on liability loss;
\$250,000 deductible on property loss - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$249,000 on property loss. Enduris is responsible for the \$4,000 deductible on boiler and machinery loss.

Insurance carriers cover all losses over the deductibles as shown to the policy maximum limits. Since Enduris is a cooperative program, there is a joint liability among the participating members.

The contract requires members to continue membership for a period of not less than one (1) year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with Enduris and are administered in house.

A Board of Directors consisting of seven (7) board members governs Enduris. Its members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of Enduris.