



Examination No. 50396

ISLAND COUNTY COMBINED SPECIAL  
PURPOSE DISTRICTS  
ISLAND COUNTY, WASHINGTON

Third Examination

January 1, 1983 Thru December 31, 1985

**REPORT OF EXAMINATION**  
**DIVISION OF MUNICIPAL CORPORATIONS**

***Robert V. Graham***  
***State Auditor***

ROBERT V. GRAHAM  
STATE AUDITOR



JACK HEINRICHER  
ASSISTANT STATE AUDITOR

## The State of Washington

OFFICE OF STATE AUDITOR  
LEGISLATIVE BUILDING AS-21  
OLYMPIA, WASHINGTON 98504-0421  
(206) 753-5277

Notice of Filing and Transmittal  
July 10, 1987

Notice is hereby given that the attached document is the official post audit examination report of the Island County Combined Special Purpose Districts, Island County, Washington, for the period January 1, 1983 through December 31, 1985.

The report was prepared and transmitted for filing by the State Auditor's Division of Municipal Corporations pursuant to RCW 43.09.260.

A handwritten signature in cursive script, appearing to read "Robert V. Graham".

ROBERT V. GRAHAM  
STATE AUDITOR

Copies transmitted to:

Island County Special Purpose Districts  
Harry Ferrier, County Auditor  
David F. Thiele, County Prosecuting Attorney  
Honorable Kenneth O. Eikenberry, Attorney General  
Office of State Auditor

TABLE OF CONTENTS

	<u>Page</u>
Compliance Section:	
Report On Compliance With Laws And Regulations .....	1
Financial Section:	
Report On Financial Statements .....	2
Exhibits:	
A-1 Operation Of Cash - 1985 .....	3
A-2 Operation Of Cash - 1984 .....	4
A-3 Operation Of Cash - 1983 .....	5
B-1 Operation Of Investments - 1985 .....	6
B-2 Operation Of Investments - 1984 .....	7
B-3 Operation Of Investments - 1983 .....	8
C-1 Statement Of Long-Term Debt - 1985 .....	9
C-2 Statement Of Long-Term Debt - 1984 .....	10
C-3 Statement Of Long-Term Debt - 1983 .....	11
Auditor's Notes To Financial Statements .....	12
Addendum:	
A Directory Of Officials .....	14

ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS

Island County, Washington

Third Examination

January 1, 1983 Thru December 31, 1985

REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

Exhibits A, B and C contained in the financial section of this report comprise the financial statements of those special purpose districts of Island County, Washington, listed in the exhibits, for the period January 1, 1983 through December 31, 1985. Our opinion on those financial statements is set forth in the financial section of this report. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Because none of the special purpose districts included in this report expended more than \$25,000 in direct or indirect federal assistance in any year audited, they are not required to have their federal grants audited. Accordingly, we did not apply the additional audit tests required by federal audit standards and this report is not intended to meet federal audit requirements.

In addition to our evaluation of the districts' compliance with legal requirements that could affect their financial condition, we reviewed their compliance with other applicable laws and regulations as specified in RCW 43.09.260. This review was limited to compliance with bid laws and with the Open Public Meetings Act.

In our opinion, the districts have complied with the laws and regulations we tested. Further, based on our examination, nothing came to our attention to indicate that the districts have not complied with other applicable laws and regulations.

ROBERT V. GRAHAM  
STATE AUDITOR

ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS  
Island County, Washington  
Third Examination  
January 1, 1983 Thru December 31, 1985

REPORT ON FINANCIAL STATEMENTS

We have examined Exhibits A, B and C which contain the statements of cash and investment transactions and of long-term bonded debt of the various funds of those special purpose districts of Island County, Washington, listed in the exhibits, for the period January 1, 1983 through December 31, 1985. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in the auditor's notes to financial statements, Island County prepares financial statements on behalf of these districts on the basis of accounting prescribed by Washington State statutes and the Budgeting, Accounting and Reporting System (BARS) prescribed by the State Auditor. The required financial statements do not present the financial position of the districts and they are not intended to present results of operations in conformity with generally accepted accounting principles.

A substantial portion of the revenues of the parks and recreation district and cemetery districts consists of locally collected charges and fees. It was not practicable to satisfy ourselves with respect to these revenues beyond the amounts recorded by the county as received.

In our opinion, except for the effect, if any, of the matters discussed in the preceding paragraph, and except that the omitted disclosures might influence a user's conclusions about the districts' transactions, the accompanying financial statements present fairly the cash and investment transactions and the long-term bonded indebtedness of the funds of the listed districts for the period January 1, 1983 through December 31, 1985, on the prescribed basis of accounting, applied in a consistent manner.



ROBERT V. GRAHAM  
STATE AUDITOR

JUL 10 1987

OPERATION OF CASH 1985

DESCRIPTIONS	CASH BALANCE		TRANSFERS		INVESTMENTS		TRANSFERS		DISBURSEMENTS		CASH BALANCE
	Jan. 1, 1985	RECEIPTS	IN	SOLD	PURCHASED	OUT	Dec. 31, 1985				
FIRE DISTRICT NO. 1 EXPENSE	\$9,013.81	\$36,019.69	\$193.18	\$0.00	\$0.00	\$469.94	\$38,104.63	\$6,572.11			
FIRE DISTRICT NO. 2 EXPENSE	16,601.10	182,913.96	368.87	1,524,000.00	1,515,000.00	1,029.31	154,707.36	53,147.26			
FIRE DISTRICT NO. 3 EXPENSE	63,815.06	241,888.88	1,994.14	46,000.00	99,726.83	903.48	218,187.70	34,880.07			
FIRE DISTRICT NO. 4 EXPENSE	12,074.77	52,237.62	142.74	20,000.00	10,000.00	873.86	55,739.24	17,842.03			
FIRE DISTRICT NO. 5 EXPENSE	32,565.35	240,085.02	794.88	15,000.00	0.00	474.00	217,326.48	70,644.77			
FIRE DISTRICT NO. 6 EXPENSE	31,825.69	175,549.44	411.79	0.00	0.00	2,536.91	158,692.76	46,557.25			
FIRE DISTRICT NO.1 BOND	18,069.64	26,766.70	150.92	0.00	0.00	0.00	23,075.00	21,912.26			
FIRE DISTRICT NO. 3 BOND	27,153.53	7,300.67	259.93	15,000.00	31,194.16	0.00	16,518.75	2,001.22			
FIRE DISTRICT NO. 5 BOND	7,599.65	840.26	0.00	7,550.00	7,550.00	0.00	0.00	8,439.91			
FIRE DISTRICT NO. 6 BOND	275.69	53,248.81	131.06	197,200.00	197,100.00	0.00	46,101.84	7,653.72			
CENETARY DISTRICT NO. 1	16,933.95	23,077.08	62.76	0.00	0.00	2,096.15	26,353.49	11,624.15			
CENETARY DISTRICT NO.2	1,981.87	18,715.92	50.41	105,000.00	52,500.00	591.63	12,641.96	60,014.61			
NORTH WHIDREY PARK & RECREATION											
DISTRICT MAINTANCE	(9,188.33)	290,247.16	124.21	0.00	0.00	2,438.09	264,780.00	13,964.95			
NORTH WHIDREY PARK & RECREATION											
DISTRICT BOND	216,409.59	2,094,817.51	238.88	2,582,680.00	4,331,619.45	0.00	343,384.58	219,141.95			
NORTH WHIDREY PARK AND											
RECREATION DISTRICT CON	100,329.57	5,067.81	0.00	1,196,340.00	1,196,340.00	0.00	2,249.93	103,147.45			
DIKING DISTRICT NO. 1 MAINTENANCE	7,058.41	7,512.94	0.00	0.00	0.00	0.00	4,653.00	9,918.35			
DIKING DISTRICT NO.1 DRAINAGE	4,583.93	2,718.91	0.00	0.00	0.00	0.00	0.00	7,302.84			
DIKING DISTRICT NO. 2 MAINTENANCE	238.74	0.00	0.00	0.00	0.00	0.00	0.00	238.74			
DIKING DISTRICT NO. 3 MAINTENANCE	257.57	50.00	0.00	0.00	0.00	0.00	0.00	307.57			
DIKING DISTRICT NO. 4 MAINTENANCE	32.48	49,655.48	0.00	0.00	40,000.00	0.00	1,466.08	8,221.88			
DRAINAGE DISTRICT NO. 5 MAINTANCE	282.91	0.00	0.00	0.00	0.00	0.00	0.00	282.91			
DRAINAGE DISTRICT NO. 6 MAINTENANC	11,172.39	87.18	0.00	0.00	0.00	0.00	8,697.10	2,562.47			
DRAINAGE DISTRICT NO. 7 MAINTENANCE	337.66	7,734.72	0.00	0.00	0.00	0.00	6,767.86	1,304.52			

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

OPERATION OF CASH 1984

DESCRIPTIONS	CASH BALANCE		TRANSFERS		INVESTMENTS		TRANSFERS		INVESTMENTS		CASH BALANCE	
	Jan. 1, 1984	RECEIPTS	IN	SOLD	PURCHASED	OUT	PURCHASED	OUT	DISBURSEMENTS	Dec. 31, 1984		
FIRE DISTRICT NO. 1 EXPENSE	\$7,971.82	\$84,713.78	\$44.01	\$0.00	\$0.00	\$474.49	\$0.00	\$474.49	\$83,241.31	\$9,013.81		
FIRE DISTRICT NO. 2 EXPENSE	18,947.75	166,650.47	133.76	1,538,000.00	1,533,000.00	0.00	0.00	0.00	174,130.88	16,601.10		
FIRE DISTRICT NO. 3 EXPENSE	59,731.47	213,871.96	526.24	0.00	0.00	0.00	0.00	0.00	210,314.61	83,815.06		
FIRE DISTRICT NO. 4 EXPENSE	10,428.64	84,521.84	61.21	44,000.00	54,000.00	0.00	0.00	0.00	72,936.92	12,074.77		
FIRE DISTRICT NO. 5 EXPENSE	24,845.16	104,847.10	265.82	10,000.00	15,000.00	107.31	0.00	107.31	97,285.42	32,565.35		
FIRE DISTRICT NO. 6 EXPENSE	41,543.74	155,755.67	71.98	0.00	0.00	0.00	0.00	0.00	165,545.70	31,825.69		
FIRE DISTRICT NO. 1 BOND	12,285.10	24,673.28	36.26	0.00	0.00	0.00	0.00	0.00	18,925.00	18,069.64		
FIRE DISTRICT NO. 3 BOND	26,947.34	12,535.08	33.61	0.00	0.00	0.00	0.00	0.00	12,362.50	27,153.53		
FIRE DISTRICT NO. 5 BOND	80.76	1,468.89	0.00	25,000.00	12,500.00	0.00	0.00	0.00	6,450.00	7,599.65		
FIRE DISTRICT NO. 6 BOND	36,833.42	49,540.07	22.79	79,800.00	117,500.00	0.00	0.00	0.00	48,420.59	275.69		
CEMETARY DISTRICT NO. 1	14,482.60	27,633.07	62.80	0.00	0.00	0.00	0.00	0.00	25,244.52	16,933.95		
CEMETARY DISTRICT NO.2	5,043.35	14,656.83	20.23	99,000.00	103,000.00	0.00	0.00	0.00	13,738.54	1,981.87		
NORTH WHIDREY PARK & RECREATION												
DISTRICT MAINTANCE	424.32	177,100.92	0.00	0.00	0.00	0.00	0.00	0.00	186,713.57	(9,188.33)		
NORTH WHIDREY PARK & RECREATION												
DISTRICT BOND	70,395.17	270,423.16	225.01	2,111,026.97	1,946,526.97	225.01	0.00	225.01	289,133.75	216,184.58		
NORTH WHIDREY PARK AND												
RECREATION DISTRICT CON	1,461.92	8,142.62	0.00	1,642,985.96	1,531,285.96	0.00	0.00	0.00	20,974.97	100,329.57		
BIKING DISTRICT NO. 1 MAINTENANCE	1,470.94	17,425.84	6,549.30	0.00	0.00	0.00	0.00	0.00	18,387.67	7,058.41		
BIKING DISTRICT NO.1 DRAINAGE	7,631.56	3,923.07	0.00	0.00	0.00	6,549.30	0.00	6,549.30	421.40	4,583.93		
BIKING DISTRICT NO. 2 MAINTENANCE	238.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	238.74		
BIKING DISTRICT NO. 3 MAINTENANCE	207.57	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	257.57		
BIKING DISTRICT NO. 4 MAINTENANCE	314.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	282.20	32.48		
DRAINAGE DISTRICT NO. 5 MAINTANCE	282.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	282.91		
DRAINAGE DISTRICT NO. 6 MAINTENANC	3,453.06	21,664.83	0.00	0.00	0.00	0.00	0.00	0.00	13,945.50	11,172.39		
DRAINAGE DISTRICT NO. 7 MAINTENANCE	117.94	13,181.51	0.00	0.00	0.00	0.00	0.00	0.00	12,961.79	337.66		

OPERATION OF CASH 1983

DESCRIPTIONS	CASH BALANCE			TRANSFERS			INVESTMENTS		INVESTMENTS		DISBURSEMENTS		CASH BALANCE Dec. 31, 1983
	Jan. 1, 1983	RECEIPTS	IN	IN	SOLD	PURCHASED	OUT	DISBURSEMENTS	Dec. 31, 1983				
FIRE DISTRICT NO. 1 EXPENSE	\$5,243.67	\$22,541.13	\$108.56	\$0.00	\$0.00	\$0.00	\$130.83	\$19,790.71	\$7,971.82				
FIRE DISTRICT NO. 2 EXPENSE	91,389.29	148,887.53	295.62	835,000.00	956,000.00	807.32	99,817.37	18,947.75					
FIRE DISTRICT NO. 3 EXPENSE	39,132.64	203,915.11	1,742.62	0.00	0.00	696.14	184,362.76	59,731.47					
FIRE DISTRICT NO. 4 EXPENSE	11,458.66	35,323.37	156.83	0.00	10,000.00	170.26	26,339.96	10,428.64					
FIRE DISTRICT NO. 5 EXPENSE	31,221.92	72,179.31	661.64	0.00	10,000.00	378.12	68,839.59	24,645.16					
FIRE DISTRICT NO. 6 EXPENSE	12,412.59	146,434.13	294.19	445,900.00	385,900.00	374.31	177,222.86	41,543.74					
FIRE DISTRICT NO. 1 BOND	11,656.93	20,285.58	117.59	0.00	0.00	0.00	19,775.00	12,285.10					
FIRE DISTRICT NO. 3 BOND	25,824.74	14,049.12	110.98	0.00	0.00	0.00	13,037.50	26,947.34					
FIRE DISTRICT NO. 5 BOND	893.68	2,512.08	0.00	30,000.00	27,500.00	0.00	5,825.00	80.76					
FIRE DISTRICT NO. 6 BOND	801.52	48,602.75	102.87	235,600.00	202,700.00	0.00	45,573.72	36,833.42					
CENETARY DISTRICT NO. 1	15,893.86	24,171.56	77.58	0.00	0.00	1,323.21	24,337.19	14,482.60					
CENETARY DISTRICT NO. 2	5,432.32	15,667.23	55.74	92,500.00	96,000.00	471.05	12,140.89	5,043.35					
NORTH WHIDREY PARK & RECREATION													
DISTRICT MAINTANCE	1,295.98	148,229.51	0.00	297,609.00	254,009.00	0.00	192,701.17	424.32					
NORTH WHIDREY PARK & RECREATION													
DISTRICT BOND	7,086.75	306,941.20	557.72	1,436,769.00	1,527,617.00	0.00	153,342.50	70,395.17					
NORTH WHIDREY PARK AND													
RECREATION DISTRICT CON	96,278.15	8,835.58	0.00	1,626,402.00	1,458,102.00	0.00	271,951.81	1,461.92					
DIKING DISTRICT NO. 1 MAINTANCE	3,316.53	6,644.93	0.00	0.00	0.00	0.00	8,490.52	1,470.94					
DIKING DISTRICT NO. 1 DRAINAGE	5,868.97	1,762.59	0.00	0.00	0.00	0.00	0.00	7,631.56					
DIKING DISTRICT NO. 2 MAINTANCE	238.74	0.00	0.00	0.00	0.00	0.00	0.00	238.74					
DIKING DISTRICT NO. 3 MAINTANCE	157.57	50.00	0.00	0.00	0.00	0.00	0.00	207.57					
DIKING DISTRICT NO. 4 MAINTANCE	314.68	0.00	0.00	0.00	0.00	0.00	0.00	314.68					
DRAINAGE DISTRICT NO. 5 MAINTANCE	282.91	0.00	0.00	0.00	0.00	0.00	0.00	282.91					
DRAINAGE DISTRICT NO. 6 MAINTANCE	2,260.30	21,696.95	0.00	0.00	0.00	0.00	20,504.19	3,453.06					
DRAINAGE DISTRICT NO. 7 MAINTANCE	(974.91)	1,883.80	0.00	0.00	0.00	0.00	790.95	117.94					

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.



## OPERATION OF INVESTMENTS 1985

DESCRIPTIONS	INVESTMENT	INVESTMENTS ACQUIRED	INVESTMENTS LIQUIDATED	INVESTMENT
	BALANCE Jan. 1, 1985			BALANCE Dec. 31, 1985
FIRE DISTRICT NO. 1 EXPENSE	\$5,000.00	\$0.00	\$0.00	\$5,000.00
FIRE DISTRICT NO. 2 EXPENSE	133,000.00	1,515,000.00	1,524,000.00	\$124,000.00
FIRE DISTRICT NO. 3 EXPENSE	0.00	99,726.83	46,000.00	\$53,726.83
FIRE DISTRICT NO. 4 EXPENSE	20,000.00	10,000.00	20,000.00	\$10,000.00
FIRE DISTRICT NO. 5 EXPENSE	15,000.00	0.00	15,000.00	\$0.00
FIRE DISTRICT NO. 6 EXPENSE	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 1 BOND	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 3 BOND	0.00	31,194.16	15,000.00	\$16,194.16
FIRE DISTRICT NO. 5 BOND	0.00	7,550.00	7,550.00	\$0.00
FIRE DISTRICT NO. 6 BOND	37,700.00	197,100.00	197,200.00	\$37,600.00
CEMETARY DISTRICT NO. 1	678.81	0.00	0.00	\$678.81
CEMETARY DISTRICT NO. 2	52,500.00	52,500.00	105,000.00	\$0.00
NORTH WHIDBEY PARK & RECREATION DISTRICT MAINTANCE	0.00	0.00	0.00	\$0.00
NORTH WHIDBEY PARK & RECREATION DISTRICT BOND	0.00	4,331,619.45	2,582,680.00	\$1,748,939.45
NORTH WHIDBEY PARK AND RECREATION DISTRICT CONSTR.	0.00	1,196,340.00	1,196,340.00	\$0.00
DIKING DISTRICT NO. 1 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 1 DRAINAGE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 2 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 3 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 4 MAINTENANCE	0.00	40,000.00	0.00	\$40,000.00
DRAINAGE DISTRICT NO. 5 MAINTENANCE	0.00	0.00	0.00	\$0.00
DRAINAGE DISTRICT NO. 6 MAINTENANCE	0.00	0.00	0.00	\$0.00
DRAINAGE DISTRICT NO. 7 MAINTENANCE	0.00	0.00	0.00	\$0.00

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

## OPERATION OF INVESTMENTS 1984

DESCRIPTIONS	INVESTMENT	INVESTMENTS	INVESTMENTS	INVESTMENT
	BALANCE			ACQUIRED
	Jan. 1, 1984			Dec. 31, 1984
FIRE DISTRICT NO. 1 EXPENSE	\$5,000.00	\$0.00	\$0.00	\$5,000.00
FIRE DISTRICT NO. 2 EXPENSE	138,000.00	1,533,000.00	1,538,000.00	\$133,000.00
FIRE DISTRICT NO. 3 EXPENSE	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 4 EXPENSE	10,000.00	54,000.00	44,000.00	\$20,000.00
FIRE DISTRICT NO. 5 EXPENSE	10,000.00	15,000.00	10,000.00	\$15,000.00
FIRE DISTRICT NO. 6 EXPENSE	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 1 BOND	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 3 BOND	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 5 BOND	12,500.00	12,500.00	25,000.00	\$0.00
FIRE DISTRICT NO. 6 BOND	0.00	117,500.00	79,800.00	\$37,700.00
CEMETARY DISTRICT NO. 1	678.81	0.00	0.00	\$678.81
CEMETARY DISTRICT NO. 2	48,500.00	103,000.00	99,000.00	\$52,500.00
NORTH WHIDBEY PARK & RECREATION DISTRICT MAINTANCE	0.00	0.00	0.00	\$0.00
NORTH WHIDBEY PARK & RECREATION DISTRICT BOND	164,500.00	1,945,526.97	2,111,026.97	\$0.00
NORTH WHIDBEY PARK AND RECREATION DISTRICT CONSTR.	111,700.00	1,531,285.96	1,642,985.96	\$0.00
DIKING DISTRICT NO. 1 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 1 DRAINAGE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 2 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 3 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 4 MAINTENANCE	0.00	0.00	0.00	\$0.00
DRAINAGE DISTRICT NO. 5 MAINTENANCE	0.00	0.00	0.00	\$0.00
DRAINAGE DISTRICT NO. 6 MAINTENANCE	0.00	0.00	0.00	\$0.00
DRAINAGE DISTRICT NO. 7 MAINTENANCE	0.00	0.00	0.00	\$0.00

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

## OPERATION OF INVESTMENTS 1983

DESCRIPTIONS	INVESTMENT	INVESTMENTS ACQUIRED	INVESTMENTS LIQUIDATED	INVESTMENT
	BALANCE Jan. 1, 1983			BALANCE Dec. 31, 1983
FIRE DISTRICT NO. 1 EXPENSE	\$5,000.00	\$0.00	\$0.00	\$5,000.00
FIRE DISTRICT NO. 2 EXPENSE	17,000.00	956,000.00	835,000.00	\$138,000.00
FIRE DISTRICT NO. 3 EXPENSE	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 4 EXPENSE	0.00	10,000.00	0.00	\$10,000.00
FIRE DISTRICT NO. 5 EXPENSE	0.00	10,000.00	0.00	\$10,000.00
FIRE DISTRICT NO. 6 EXPENSE	60,000.00	385,900.00	445,900.00	\$0.00
FIRE DISTRICT NO. 1 BOND	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 3 BOND	0.00	0.00	0.00	\$0.00
FIRE DISTRICT NO. 5 BOND	15,000.00	27,500.00	30,000.00	\$12,500.00
FIRE DISTRICT NO. 6 BOND	32,900.00	202,700.00	235,600.00	\$0.00
CEMETARY DISTRICT NO. 1	678.81	0.00	0.00	\$678.81
CEMETARY DISTRICT NO. 2	45,000.00	96,000.00	92,500.00	\$48,500.00
NORTH WHIDBEY PARK & RECREATION DISTRICT MAINTANCE	43,600.00	254,009.00	297,609.00	\$0.00
NORTH WHIDBEY PARK & RECREATION DISTRICT BOND	73,652.00	1,527,617.00	1,436,769.00	\$164,500.00
NORTH WHIDBEY PARK AND RECREATION DISTRICT CONSTR.	280,000.00	1,458,102.00	1,626,402.00	\$111,700.00
DIKING DISTRICT NO. 1 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 1 DRAINAGE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 2 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 3 MAINTENANCE	0.00	0.00	0.00	\$0.00
DIKING DISTRICT NO. 4 MAINTENANCE	0.00	0.00	0.00	\$0.00
DRAINAGE DISTRICT NO. 5 MAINTENANCE	0.00	0.00	0.00	\$0.00
DRAINAGE DISTRICT NO. 6 MAINTENANCE	0.00	0.00	0.00	\$0.00
DRAINAGE DISTRICT NO. 7 MAINTENANCE	0.00	0.00	0.00	\$0.00

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

LONG TERM DEBT 1985

DESCRIPTIONS	PURPOSE	AMOUNT OF ACTUAL ISSUE	DATE OF ISSUE	DATE OF FINAL ISSUE	BALANCE OUTSTANDING Jan. 1, 1985	AMOUNT ISSUED	AMOUNT REDEEMED	BALANCE OUTSTANDING Dec. 31, 1984
FIRE DISTRICT NO. 1	G.O. Bonds	\$130,000.00	July 1, 1980	July 1, 1990	\$100,000.00	\$0.00	\$10,000.00	\$90,000.00
FIRE DISTRICT NO. 2	Installment Contract	\$46,087.04	Dec. 20, 1984	Dec. 20, 1989	46,087.04	0.00	20,000.00	\$26,087.04
FIRE DISTRICT NO. 3	G.O. Bonds	\$100,000.00	Jan. 1, 1976	Jan. 1, 1986	30,000.00	0.00	15,000.00	\$15,000.00
FIRE DISTRICT NO. 3	Installment Contract	\$77,417.18	April 7, 1982	Nov. 30, 1987	38,589.79	0.00	15,483.44	\$23,106.35
FIRE DISTRICT NO. 4	Installment Contract	\$40,000.00	June 19, 1984	Aug. 15, 1988	\$40,000.00	\$0.00	\$9,376.46	\$30,623.54
FIRE DISTRICT NO. 5	G.O. Bonds	\$150,000.00	Dec. 1, 1985	Dec. 1, 1995	0.00	150,000.00	0.00	\$150,000.00
FIRE DISTRICT NO. 6	G.O. Bonds	\$320,000.00	April 1, 1979	Oct. 1, 1989	200,000.00	0.00	35,000.00	\$165,000.00
NORTH WHIDREY PARK & RECREATION DISTRICT	G.O. Bonds	\$1,700,000.00	June 1, 1981	June 1, 2001	1,645,000.00	0.00	35,000.00	\$1,610,000.00
NORTH WHIDREY PARK & RECREATION DISTRICT	G.O. REFUNDING BONDS	\$1,875,000.00	Aug. 1, 1985	June 1, 2001	\$0.00	\$1,875,000.00	\$10,000.00	\$1,865,000.00
DIVING DISTRICT NO. 4	Special Assessment Fonds	\$25,500.00	Oct. 1, 1921	Oct. 1, 1936	21,700.00	0.00	0.00	\$21,700.00

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

LONG TERM DEBT 1984

DESCRIPTIONS	PURPOSE	AMOUNT OF ACTUAL ISSUE	DATE OF ISSUE	DATE OF FINAL ISSUE	BALANCE OUTSTANDING Jan. 1, 1984	AMOUNT ISSUED	AMOUNT REDEEMED	BALANCE OUTSTANDING Dec. 31, 1984
FIRE DISTRICT NO. 1	G.O. Bonds	\$130,000.00	July 1, 1980	July 1, 1990	\$110,000.00	\$0.00	\$10,000.00	\$100,000.00
FIRE DISTRICT NO. 2	Installment Contract	\$46,087.04	Dec. 20, 1984	Dec. 20, 1989	0.00	46,087.04	0.00	\$46,087.04
FIRE DISTRICT NO. 3	G.O. Bonds	\$100,000.00	Jan. 1, 1976	Jan. 1, 1986	40,000.00	0.00	10,000.00	\$30,000.00
FIRE DISTRICT NO. 3	Installment Contract	\$77,417.18	April 7, 1982	Nov. 30, 1987	54,100.72	0.00	15,510.93	\$38,589.79
FIRE DISTRICT NO. 4	Installment Contract	\$40,000.00	June 19, 1984	Aug. 15, 1988	\$0.00	\$40,000.00	\$0.00	\$40,000.00
FIRE DISTRICT NO. 5	G.O. Bonds	\$40,000.00	Nov. 1, 1974	Nov. 1, 1984	6,000.00	0.00	6,000.00	\$0.00
FIRE DISTRICT NO. 5	Installment Contract	\$16,527.50	Sept. 27, 1982	Aug. 7, 1984	6,453.44	0.00	6,453.44	\$0.00
FIRE DISTRICT NO. 6	G.O. Bonds	\$320,000.00	April 1, 1979	Oct. 1, 1989	235,000.00	0.00	35,000.00	\$200,000.00
NORTH WHIDBEY PARK & RECREATION DISTRICT	G.O. Bonds	\$1,700,000.00	June 1, 1981	June 1, 2001	1,675,000.00	0.00	30,000.00	\$1,645,000.00
DIXING DISTRICT NO. 4	Special Assessment Bonds	\$25,500.00	Oct. 1, 1921	Oct. 1, 1936	21,700.00	0.00	0.00	\$21,700.00

LONG TERM DEBT 1983

DESCRIPTIONS	PURPOSE	AMOUNT OF ACTUAL ISSUE	DATE OF ISSUE	DATE OF FINAL ISSUE	BALANCE OUTSTANDING JAN. 1, 1983	AMOUNT ISSUED	AMOUNT RECEIVED	BALANCE OUTSTANDING Dec. 31, 1983
FIRE DISTRICT NO. 1	G.O. Bonds	\$130,000.00	July 1, 1980	July 1, 1990	\$120,000.00	\$0.00	\$10,000.00	\$110,000.00
FIRE DISTRICT NO. 2	Installment Contract	\$30,000.00	June 5, 1980	June 4, 1983	10,000.00	0.00	10,000.00	\$0.00
FIRE DISTRICT NO. 3	G.O. Bonds	\$100,000.00	Jan. 1, 1976	Jan. 1, 1986	50,000.00	0.00	10,000.00	\$40,000.00
FIRE DISTRICT NO. 3	Installment Contract	\$34,417.44	March 5, 1981	March 5, 1983	11,472.48	0.00	11,472.48	\$0.00
FIRE DISTRICT NO. 3	Installment Contract	\$77,417.18	April 7, 1982	Nov. 30, 1987	69,527.00	0.00	15,426.28	\$54,100.72
FIRE DISTRICT NO. 5	G.O. Bonds	\$40,000.00	Nov. 1, 1974	Nov. 1, 1984	11,000.00	0.00	5,000.00	\$6,000.00
FIRE DISTRICT NO. 5	Installment Contract	\$16,527.50	Sept. 27, 1982	Aug. 7, 1984	14,579.16	0.00	8,125.72	\$6,453.44
FIRE DISTRICT NO. 6	G.O. Bonds	\$320,000.00	April 1, 1979	Oct. 1, 1989	265,000.00	0.00	30,000.00	\$235,000.00
NORTH WHIDDEY PARK & RECREATION DISTRICT	G.O. Bonds	\$1,700,000.00	June 1, 1981	June 1, 2001	1,700,000.00	0.00	25,000.00	\$1,675,000.00
DIXING DISTRICT NO. 4	Special Assessment Bonds	\$25,500.00	Oct. 1, 1921	Oct. 1, 1936	21,700.00	0.00	0.00	\$21,700.00

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS  
AUDITOR'S NOTES TO FINANCIAL STATEMENTS  
January 1, 1983 Thru December 31, 1985

The following notes are an integral part of the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the special purpose districts conform to generally accepted accounting principles as applicable to governmental units in most respects. The following is a summary of the more significant policies, including identification of those policies which result in material departures from generally accepted accounting principles:

a. Basis Of Accounting

Accounting records for the districts are maintained in accordance with methods prescribed by the State Auditor under the authority of Washington State law, Chapter 43.09 RCW. The districts use the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) prescribed by the State Auditor. Revenues are recognized only when received in cash and expenditures are recognized when warrants are issued.

b. Duties Of Island County

As required by statute, Island County serves as the districts' treasurer, issues the districts' warrants, and prepares cash receipt and disbursement reports of the districts' financial activity. Balance sheets, statements of changes in fund balance and notes to financial statements are not required for these districts, and therefore are not prepared by Island County or by district officials.

c. Investments

As required by statute, the county is the custodian for all the districts' investments. All investments of the districts' funds are in the form of TCDs or passbook accounts with banks and savings and loan associations or direct obligations of the U.S. Government pursuant to the requirements of Washington State law in Chapter 39.58 RCW. Investments are stated at cost.

d. Fixed Assets

Fixed assets are expensed when purchased. The districts have not established a fixed assets account group.

e. Long-Term Debt

The districts have outstanding general obligation bonds that have been approved by the voters. The bonds are supported by property taxes levied by the county for the benefit of the districts.



ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS  
DIRECTORY OF OFFICIALS

Addendum A

Fire District No. 1:

Esther Karamanos, Secretary  
764 W. Papa Jack's Road  
Camano Island, WA 98292

Albert Sandberg, Commissioner  
Mel Bloom, Commissioner  
Roy A Vanvick, Commissioner

Fire District No. 2:

Janet Buehn, Secretary  
844 W. Powell Road  
Oak Harbor, WA 98277

Kenneth Buehn, Commissioner  
Michael A. Merrill, Commissioner  
Paul L. Koontz, Commissioner

Fire District No. 3:

Hazel Dodsworth, Secretary  
2874 E. Verland Road  
Clinton, WA 98236

Byron C. Worland, Commissioner  
Gary R. Gabelein, Commissioner  
Kenneth G. McClellan, Commissioner

Fire District No. 4:

Inga Bast, Secretary  
809 W. South Rocky Pt. Dr.  
Camano Island, WA 98292

George D. Wyse, Commissioner  
Inga Bast, Commissioner  
George A. Wicks, Commissioner

Fire District No. 5:

Mary Jo Melland, Secretary  
858 S. 596th W.  
Coupeville, WA 98239

Paul Messner, Commissioner  
Stanley Anderson, Commissioner  
J. Mike Syreen, Commissioner

Fire District No. 6:

Elizabeth Tarbet, Secretary  
124 N. East Camano Drive  
Camano Island, WA 98292

Norman W. McConnaughey, Commissioner  
Richard L. Moa, Commissioner  
John L. Hammons, Commissioner

Cemetery District No. 1:

Judy Edinger, Secretary  
1446 N. Martha Way  
Oak Harbor, WA 98277

Michael Case-Smith, Commissioner  
George R. Hansen, Commissioner  
Joseph A. Cerullo, Commissioner

Cemetery District No. 2:

Dale Sherman, Secretary  
46 S. Terry Road  
Coupeville, WA 98239

Clark H. Sherman, Commissioner  
Charles E. Arnold, Commissioner  
Robert Hancock, Commissioner

Diking and Drainage District No. 1:

Ray Gabelein, Secretary  
2691 E. Gabelein Road  
Clinton, WA 98236

Raymond Gabelein, Commissioner  
Ken Sargeant, Commissioner  
Arthur Gabelein, Commissioner

Diking District No. 2:

Everett Green, Secretary  
7254 S. Maxwellton Road  
Clinton, WA 98263

Everett Green, Commissioner  
Edwin Teel, Commissioner  
Myron Brixner, Commissioner

ISLAND COUNTY COMBINED SPECIAL PURPOSE DISTRICTS  
DIRECTORY OF OFFICIALS

Addendum A

Diking District No. 3:

Henning Christensen, Secretary  
231 E. Frostad Road  
Oak Harbor, WA 98277

Henning Christensen, Commissioner  
Dean Anderson, Commissioner  
Karl Ducken, Commissioner

Diking District No. 4:

(In Care of County Auditor)  
Harry Ferrier  
P.O. Box 697  
Coupeville, WA 98239

The Island County Commissioners are  
the commissioners of this district.

Drainage District No. 5:

Donald McLees, Secretary  
905 N. Hanstad Road  
Camano Island, WA 98292

Donald McLees, Commissioner  
Myron Leque, Commissioner  
Aubrey Nelson, Commissioner

Drainage District No. 6:

Hibbard R. Moore, Secretary  
10240 Waters Avenue S.  
Seattle, WA 98178

Hibbard R. Moore, Secretary  
Irene Wanamaker, Commissioner  
Bert Hagg, Commissioner

Drainage District No. 7:

Ernest Spitz, Secretary  
78 E. North Camano Drive  
Camano Island, WA 98292

Ernest Spitz, Commissioner  
Jean Davis, Commissioner

North Whidbey Park & Recreation  
District:

Kenna Bridges, Secretary  
2299 20th NW  
Oak Harbor, WA 98277

Claire Reed, Commissioner  
Richard Engom, Commissioner  
Dennis Zylstra, Commissioner  
Kenna Bridges, Commissioner  
Barry Wang, Commissioner

## FACTS ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office (SAO) is headed by an elected State Auditor. SAO is part of the executive branch of state government established by the state's Constitution which provides that the state Auditor shall be the auditor of all public accounts. The Auditor performs an extensive fiscal-legal-compliance audit applying governmental standards for audit of fraud, abuse and negligence. State laws create two audit divisions within SAO. Both divisions are headed by Chief Examiners appointed by the State Auditor.

### Division of Departmental Audits

The Division of Departmental Audits (DDA) is responsible for auditing all state agencies, boards and commissions. This also includes all public colleges and universities.

DDA also conducts an annual audit of the statewide combined financial statements prepared by the Office of Financial Management and performs the audit to meet the requirements of the congressional single audit act of 1984. In addition to its audit responsibilities, the division administers the Employee Disclosure or "Whistleblower Act."

### Division of Municipal Corporations

The Division of Municipal Corporations (DMC) is responsible for auditing local governments. There are more than 2,400 local governments in Washington State. These include cities, counties, schools, ports, and various types of special purpose districts. Depending on their size and other factors, audits are conducted every one, two, or three years.

DMC also prescribes the accounting systems used by most local governments and compiles statistical information for the state legislature.

### Directory of Key Officials

<i>State Auditor</i>	<i>Robert V. Graham, CIA</i>
<i>Assistant State Auditor</i>	<i>Jack Heinricher, CIA/CISA</i>
<i>Deputy State Auditor</i>	<i>Linda Sheler, CPA</i>
<i>Chief Examiner - DDA</i>	<i>Keith D. Lougheed</i>
<i>Chief Examiner - DMC</i>	<i>Lee Reaves, CISA</i>
<i>Deputy State Auditor - Administration</i>	<i>Timothy K. Schoth</i>