



Office of the Washington State Auditor

Pat McCarthy

May 31, 2018

Board of Commissioners
Public Utility District No. 1 of Cowlitz County
Longview, Washington

Report on Financial Statements

Please find attached our report on Public Utility District No. 1 of Cowlitz County's financial statements.

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

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
AS OF JUNE 30, 2017

	2017		2016		2015		2014	
	PERS 1	PERS 2 & 3						
Proportion of the Net Pension Liability	0.118119%	0.145650%	0.122105%	0.152243%	0.126423%	0.158658%	0.124742%	0.154939%
Proportionate share of the Net Pension Liability	\$ 5,604,839	\$ 5,060,641	\$ 6,557,614	\$ 7,665,315	\$ 6,613,099	\$ 5,668,941	\$ 6,283,937	\$ 3,131,877
Covered Payroll - July to June (measurement period)	\$ 14,545,494	\$ 14,277,512	\$ 14,741,516	\$ 14,494,763	\$ 14,251,907	\$ 14,060,611	\$ 13,776,612	\$ 13,559,061
Net Pension Liability as a percent of covered payroll	38.53%	35.44%	44.48%	52.88%	46.40%	40.32%	45.61%	23.10%
Covered Payroll - Calendar Year	\$ 15,307,716	\$ 15,094,991	\$ 14,851,146	\$ 14,546,234	\$ 14,400,524	\$ 14,297,808	\$ 14,030,128	\$ 13,788,446
Required Contributions - All Funded	\$ 726,864	\$ 1,006,979	\$ 707,113	\$ 905,393	\$ 640,558	\$ 835,693	\$ 562,281	\$ 694,597
Contributions as a percent of covered payroll	4.75%	6.67%	4.76%	6.22%	4.45%	5.84%	4.01%	5.04%
Plan fiduciary net position as a percent of the total pension liability	61.24%	90.97%	57.03%	85.82%	59.10%	89.20%	61.19%	93.29%

Notes:

Factors that significantly affect trends in the amounts reported include changes in benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions such as the discount rate (See Note 10). DRS allocates a portion of the contributions from PERS 2 & 3 to PERS 1 in order to fund its unfunded actuarially accrued liability. Covered payroll represents the payroll on which contributions are based.

10 year trend information will be presented prospectively.

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	
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