



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Pacific Mountain Workforce Development Council

For the period July 1, 2023 through June 30, 2024

Published March 31, 2025

Report No. 1036936



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**Office of the Washington State Auditor
Pat McCarthy**

March 31, 2025

Board of Directors
Pacific Mountain Workforce Development Council
Olympia, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Pacific Mountain Workforce Development Council's financial statements and compliance with federal laws and regulations.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Pacific Mountain Workforce Development Council July 1, 2023 through June 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Pacific Mountain Workforce Development Council are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities and each major fund in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Agency.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Agency’s compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
17.258	WIOA Cluster - WIOA Adult Program
17.259	WIOA Cluster - WIOA Youth Activities
17.278	WIOA Cluster - WIOA Dislocated Worker Formula Grants
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The Agency did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Pacific Mountain Workforce Development Council July 1, 2023 through June 30, 2024

This schedule presents the status of findings reported in prior audit periods.

Audit Period: July 1, 2022 through June 30, 2023	Report Ref. No.: 1034646	Finding Ref. No.: 2023-001
Finding Caption: The Council did not have adequate internal controls ensuring accurate reporting of its financial statements.		
Background: The Council did not have controls in place to properly evaluate and implement new accounting standards, specifically for Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. In this statement, GASB established lease accounting and reporting standards for lessees and lessors that were effective for fiscal years ending June 30, 2022, and after. The Council elected not to implement this new GASB standard during the period under audit and did not report any of its lease obligations. The Council was aware of this new GASB standard, but underestimated the overall impact to the financial statements and, ultimately, elected not to implement it. The Council did not properly report \$749,953 in lease obligations in its Statement of Net Position, nor did it disclose the lease information in the notes to the financial statements as required. The Council corrected the 2023 financial statements as a result of our audit.		
Status of Corrective Action: (check one) <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>In response to audit finding 2023-001 regarding internal controls over financial reporting and the implementation of GASB standards, we have taken several steps to strengthen our financial reporting processes and ensure compliance with applicable accounting requirements. Below is a summary of our corrective actions:</i> <ol style="list-style-type: none"> 1. Increased Capacity – Effective May 22, 2024, our Finance & Accounting team expanded from three to four staff members to enhance our internal controls and financial oversight. While the Accountant position became vacant on January 7, 2025, we are actively interviewing candidates as of February 26, 2025, to maintain continuity in our financial reporting functions. 		

2. **Staying Informed** – Our CFO, Wil Yeager, is subscribed to the Governmental Accounting Standards Board (GASB) and receives regular email updates on GASB and GAAP developments. This ensures we remain proactive in identifying and implementing new accounting standards.

3. **Regular Training and Industry Engagement** – Staff attended the “GASB Update” training on November 13, 2024, during the WWA conference hosted by the Washington State Auditor’s Office. This training covered:

- GASB 100 (Accounting Changes and Error Corrections)
- GASB 101 (Compensated Absences)
- GASB 102 (Certain Risk Disclosures)
- GASB 103 (Financial Reporting Model Improvements)
- GASB 104 (Disclosure of Capital Assets)

These training sessions reinforce our ongoing commitment to staying ahead of regulatory changes and ensuring proper accounting treatment.

4. **Implementation of GASB Standards; Engage External Experts; Update Policies and Procedures** – Based on GASB updates and guidance, we have adopted the following additional standards:

- **GASB 87** – Implemented a comprehensive lease reporting process, including the subscription to DebtBook for Lease and SBITA (Subscription-Based IT Arrangements) Management. This cloud-based platform enables us to accurately track and report lease obligations in compliance with GASB 87.
- **GASB 75** – Adopted the appropriate treatment of Other Post-Employment Benefits (OPEB), ensuring accurate recognition and disclosure of these obligations in our financial statements.
- **GASB 100** – Integrated GASB 100 into our financial reporting to properly account for accounting changes and error corrections, ensuring transparency and consistency in financial statement presentation.
- **GASB 101** – Adopted new reporting standards for compensated absences to align with the updated recognition and measurement requirements.

Our organization remains committed to strengthening internal controls, ensuring compliance with GASB standards, and improving the accuracy of financial reporting.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Pacific Mountain Workforce Development Council July 1, 2023 through June 30, 2024

Board of Directors
Pacific Mountain Workforce Development Council
Olympia, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Pacific Mountain Workforce Development Council, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 25, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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.



Pat McCarthy, State Auditor

Olympia, WA

March 25, 2025

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Pacific Mountain Workforce Development Council July 1, 2023 through June 30, 2024

Board of Directors
Pacific Mountain Workforce Development Council
Olympia, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the Pacific Mountain Workforce Development Council, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2024. The Agency's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. 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.



Pat McCarthy, State Auditor

Olympia, WA

March 25, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Pacific Mountain Workforce Development Council July 1, 2023 through June 30, 2024

Board of Directors
Pacific Mountain Workforce Development Council
Olympia, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pacific Mountain Workforce Development Council, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Pacific Mountain Workforce Development Council, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy, State Auditor

Olympia, WA

March 25, 2025

**Pacific Mountain Workforce Development Council
July 1, 2023 through June 30, 2024**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2024

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2024

Statement of Activities – 2024

Balance Sheet – Governmental Funds – 2024

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2024

Notes to Financial Statements – 2024

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund – 2024

Notes to Budgetary Comparison Schedule – 2024

Schedule of Proportionate Share of the Net Pension Liability (Asset) – PERS 1, PERS
2/3 – 2024

Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2024

Schedule of Changes in the Net Pension Liability and Related Ratios – PEBB – 2024

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2024

Notes to the Schedule of Expenditures of Federal Awards – 2024

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Management's Discussion and Analysis
Year Ending June 30, 2024

As management of the Pacific Mountain Workforce Development Council (PacMtn), we offer readers of the financial statements a narrative overview of the Council's financial activities for the year ending June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements and notes to the financial statements which immediately follow this discussion.

DISCUSSION OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Council's basic financial statements. These audited financial statements cover twelve months ending June 30, 2024. PacMtn took over grants management and fiscal functions from Thurston County as of January 1, 2011 and operates on a fiscal year from July 1 – June 30.

The basic financial statements are comprised of the following components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private-sector business. The statement of net position presents information on all the Council's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. This statement serves a purpose similar to that of a balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. However, this is just one indicator of the financial health of the Council. Other indicators include the level of change in federal, state, and local governmental support for the services that the Council provides to its constituents, as well as the general economic conditions within Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties.

The statement of activities presents information showing how the Council's net position changed for the twelve months ended June 30, 2024. It separates program revenue generated by its functions and program: grants, contracts, and miscellaneous sources. All changes in net position are reported as soon as the underlying event gives rise to the change to occur, regardless of the timing of related cash flows. Items such as unpaid invoices and earned but unused vacation are included in the statement as income and expenses, even though the cash associated with these items will not be received or distributed until sometime in the future.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. PacMtn uses a single fund accounting system to ensure

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Management’s Discussion and Analysis
Year Ending June 30, 2024

and demonstrate compliance with finance-related requirements and to provide management with information for controlling spending activities.

The Balance Sheet Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds present a single column of financial data for the General Fund. This Fund is considered to be a major fund based on criteria established by the Governmental Accounting Standards Board (GASB) Statement #34.

Governmental funds are used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements’ use of accrual accounting, governmental fund financial statements focus on near term inflows and outflows of spendable resources available at the end of the fiscal year. This information is useful in evaluating a government’s near-term financing requirements in comparison to near-term resources available.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

CONDENSED COMPARATIVE FINANCIAL DATA

Government-wide Financial Analysis

Changes in beginning net position due to error correction

1. GASB75 –Other Post-Employment Benefits (OPEB)
PacMtn failed to adopt GASB 75 in prior years. GASB 75 requires reporting of OPEB liabilities, including subsidies that lower monthly premiums for members aged 65 and older enrolled in Medicare Parts A and B. When PacMtn joined the Public Employee Benefits Board (PEBB) medical plans in 2022, it should have recorded the related beginning liability. Using the Office of the State Actuary's tool, the beginning liability was calculated as \$603,210, which reduced the beginning net position.

Fund	6/30/2023 as previously reported	Change in accounting Principle	Change To/ Within the financial reporting Entity	Error Correction	06/30/23 as restated/ Adjusted
Governmental activities	1,024,578			(603,210)	421,368

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Management's Discussion and Analysis
Year Ending June 30, 2024

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. The Council's assets and deferred outflows exceeded its liabilities and deferred inflows by \$801,177 at year ending June 30, 2024, and year end June 30, 2023, assets and deferred outflows exceeded its liabilities and deferred inflows by \$421,368 as adjusted for Error Corrections.

Deferred outflows and inflows of resources are related to pensions as required by GASB 68.

The balance of net position can be used to finance normal Council operations without constraints established by enabling legislation or other legal requirements.

The following table reflects the condensed Government-Wide Statement of Net Position of the Council:

Governmental Activities

	Year Ending	
	June 30, 2024	June 30, 2023 Audited
Assets:		
Current Assets	2,502,086	2,376,509
Long Term Assets	996,070	1,254,664
Capital Assets	4,335	4,335
Total Assets	<u>3,502,491</u>	3,635,508
Deferred Outflows of Resources	608,437	685,896
Liabilities:		
Current Liabilities	1,727,228	1,644,865
Long Term Liabilities	1,276,811	1,005,206
Total Liabilities	<u>3,004,039</u>	2,650,071
Deferred Inflows of Resources	305,712	646,756
Net Position:		
Investment in Capital Assets	4,335	4,335
Unrestricted	796,842	1,020,243
Adjustment for Error Correction		(603,210)
Total Net Position	<u>801,177</u>	421,368

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Management's Discussion and Analysis
Year Ending June 30, 2024

Statement of Activities

The following table summarizes the Council's overall operating results for the year ending June 30, 2024, and 2023:

	Year Ending June 30, 2024	June 30, 2023 Audited
Governmental Activities		
Program Revenues	8,397,027	8,564,154
General Revenues	7,322	586
Total Revenues	8,404,349	8,564,740
Program Expenses	<u>8,024,540</u>	<u>8,343,815</u>
Total Expenses	8,024,540	8,343,815
Excess (Deficiency)	379,809	220,925
Special Item Gain on Sale of Capital Asset	0	1,160
Change in Net Position	379,809	222,085
Net Position – Beginning	421,368	802,493
Net Position- Ending	801,177	1,024,578
Adjustment for Error Correction (decrease)	0.00	(603,210)
Net Position – Ending	801,177	421,368

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

As the preceding analysis indicates, this was the thirteenth full year of operations from July 1, 2023, to June 30, 2024. The ending net position of \$801,177 used unrestricted funds and includes \$4,335 of capital assets.

FUND ANALYSIS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal documents. The Council has only one fund type, namely governmental and only one fund within that fund type, the general fund.

Grant revenue fluctuates year to year depending upon federal availability of funds and State distribution of formulaic grants. There was a decrease in PacMtn's federal allocation of formulaic grants and in the programing expenditure, number, and amount of awards from the previous year. The following represents general fund revenues for the year ending June 30, 2024, and 2023:

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Management's Discussion and Analysis
Year Ending June 30, 2024

	Year Ending	
	June 30, 2024	June 30, 2023
Grant and Contract Revenue	8,397,027	8,565,314
Investment and Other Income	7,322	586
Totals	8,404,349	8,565,900

Expenses fluctuate each year based on the amount of grant awards received. There was an increase in total expenses from the previous year.

	Year Ending	
	June 30, 2024	June 30, 2023
		Audited
Payroll, Taxes, & Benefits	2,479,285	2,085,477
Program Sub-Contractors	4,224,934	5,684,916
Participant Payments	712,110	37,881
Facilities	247,769	265,784
Professional Services	373,121	396,530
Training & Travel	109,491	66,093
Insurance	11,692	15,409
Prepaid	(26,632)	15,735
Other	77,643	66,701
Lease	0	(16,891)
Capital Outlay	0	(38,426)
Total	8,209,413	8,579,209
Adjustment for Error Correction (decrease)		(603,210)
Restated Total		7,975,999

BUDGET VARIANCES IN THE GENERAL FUND

The original budget reflects the preliminary budget adopted in June, prior to the beginning of the fiscal year. The final budget reflects the last board adopted budget of the year. Budgets are updated throughout the year to reflect the addition of new grant awards. The final budget revenue increased due to several additional grants and the expenses increased due to an increase in staffing and program costs.

Both the actual revenue and expenditures were under budgeted amounts. Revenues under budget are directly related to the under expenditures as the majority of our grants are cost reimbursement. Under expenditures occurred on the subcontract and participant payment side. This is partially due to general under expenditures but also due to anticipated shift of spending as funds cross into the next year and carry in funds are needed.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Management's Discussion and Analysis
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Actual expense amounts reported do not add in pension expense as determined through GASB 68, lease expense as determined by GASB 87, and OPEB expense as determined by GASB75.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

PacMtn's has limited office equipment including printers & copiers. The capital asset schedule can be found in the Notes to the Financial Statements. The organization does not plan to nor intends to take on debt, nor commitments for capital expenditures.

OTHER POTENTIALLY SIGNIFICANT MATTERS

Workforce Innovation and Opportunity Act

PacMtn operates primarily under the authorization of Title 1 of the Workforce Innovation and Opportunity Act of 2014.

Funding Factors

PacMtn ended the Fiscal Year (July 1, 2023 – June 30, 2024) earning less revenue than budgeted which was due to several factors. First, we under-performed and closed out our pay point contracts resulting in expenditure in excess of revenues. Second, we did not spend all our grant funds but this means more funds will be available to use in the next fiscal year. Discretionary grants are added throughout the year and help supplement WIOA formula funds. Grants received late in the year are still added in entirety to the budget to show availability even though the program will continue over subsequent fiscal years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of PacMtn's finances for all those with an interest in PacMtn finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Chief Executive Officer, Pacific Mountain Workforce Development Council, 201 5th Ave. SW., Suite 401, Olympia, WA 98501

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Statement of Net Position
As of June 30, 2024

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	392,088
Investments	242,100
Receivables	1,812,933
Prepays	54,965
Noncurrent Assets:	
Pension Asset	425,156
Lease Assets net of amortization	
Buildings	570,914
Total Lease Assets	570,914
Capital Assets net of accum depreciation/Amortization:	
Office Equipment	4,335
Total Capital Assets	4,335
TOTAL ASSETS	3,502,491
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	608,437
 LIABILITIES	
Accounts Payable	1,227,659
Other Current Liabilities:	242,204
Current Portion of Compensated Absences	99,057
Current Portion of Lease Liability	150,328
Current Portion of OPEB Liability	7,980
Noncurrent Liabilities:	
Pension Liability	183,189
Lease Liability	466,699
OPEB Liability	626,923
TOTAL LIABILITIES	3,004,039
 DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	305,712
 Net Position	
Investment in Capital Assets	4,335
Unrestricted	796,842
TOTAL NET POSITION	801,177

The notes to the financial statements are an integral part of this statement.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Statement of Activities
Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expense) Revenues and Changes in Net Position</u>
			<u>Total Governmental Activities</u>
Governmental Activities			
Employment Opportunity	8,024,540	8,397,027	372,487
TOTAL GOVERNMENTAL ACTIVITIES			372,487
General Revenues:			
			<u>7,322</u>
Unrestricted Investment Earnings			7,322
Total General Revenues			<u>7,322</u>
Change in Net Position			379,809
		Net Position - Beginning	1,024,578
		Net Position - Error Correction	<u>(603,210)</u>
		Net Position - Ending	<u>801,177</u>

The notes to financial statements are an integral part of this statement.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Balance Sheet
Governmental Funds
As of June 30, 2024

	General Fund
ASSETS	
Cash and Cash Equivalents	392,088
Investments	242,100
Receivables	1,812,933
TOTAL ASSETS	2,447,121
 LIABILITIES & FUND BALANCE	
Accounts Payable	1,227,659
Other Current Liabilities	242,204
TOTAL LIABILITIES	1,469,863
 FUND BALANCE	
Committed	14,667
Unassigned	962,591
TOTAL FUND BALANCE	977,258
TOTAL LIABILITIES & FUND BALANCE	2,447,121

Amounts reported for governmental activities in the statement of net position are different because:

Fund balance in governmental funds	977,258
Prepaid accounts used in governmental activities are not financial resources and therefore are not reported in the funds	54,965
Lease Assets used in governmental activities are not financial resources and therefore are not reported in the fund.	570,914
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	4,335
Net Pension asset amounts and deferred inflow and outflow amounts use in governmental activities are not financial resources and therefore are not reported in the fund.	544,692
Net Lease liabilities are not due and payable in the current period and therefore are not reported in the fund.	(617,026)
Net OPEB liabilities are not due and payable in the current period and therefore are not reported in the fund.	(634,903)

Compensated absences used in governmental activities are not financial resources and therefore not reported in the funds	<u>(99,057)</u>
Net position - Governmental Activities	<u>801,177</u>

The notes to the financial statements are an integral part of this statement.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2024

	General Fund
REVENUES	
Operating Grants & Contributions	8,397,027
Investment Earnings	<u>7,322</u>
TOTAL REVENUES	8,404,349
EXPENDITURES	
Current	
Payroll, Taxes, & Benefits	2,479,285
Program Sub-Contractors	4,224,934
Participant Payments	712,110
Facilities	247,769
Professional Services	373,121
Training & Travel	109,491
Insurance	11,692
Prepaid	(26,632)
Other	<u>77,643</u>
TOTAL EXPENDITURES	8,209,413
Excess (Deficiency) of Revenues over Expenditures	194,936
Net Change in Fund Balance	194,936
Fund Balance - Beginning	<u>782,321</u>
Fund Balance - Ending	977,257
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balance	194,936
Prepaid accounts used in governmental activities are not financial resources and therefore are not reported in the funds	(26,632)
Net adjustments to lease expense used in governmental activities are not financial resources and therefore not reported in the Governmental funds	(29,221)
Net adjustments to OPEB used in governmental activities are not financial resources and therefore not reported in the Governmental funds	(31,693)
Net adjustments to pension expense used in governmental activities are not financial resources and therefore not reported in the Governmental funds	285,357
Compensated absences used in governmental activities are not financial resources and therefore not reported in the funds	<u>(12,938)</u>
CHANGE IN NET POSITION - Governmental Activities	379,809

The accompanying notes are an integral part of this financial statement.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Pacific Mountain Workforce Development Council (PacMtn) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant policies are described below.

A. Reporting Entity

The Pacific Mountain Consortium is comprised of the Board of County Commissioners of Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties, Washington in Workforce Development Area 2, pursuant to the Governor's approval dated July 1, 2010, to provide workforce investment activities. The Consortium is organized under the Interlocal Cooperation Act of 1967, Chapter 39.34, RCW, which permits local governmental units to cooperate and to provide services and facilities in a manner which will best deal with the geographic, economic, demographic, and other factors influencing the development of local communities. PacMtn was organized as a nonprofit corporation by the Consortium; as provided for in Section 117 of Public Law 105-220--Aug. 7, 1998, Workforce Investment Act (WIA), to implement the WIA in the Workforce Development Area. In accordance with Section 117(d) (3) (B) of the Workforce Investment Act (WIA), the subsequent reauthorization in the Workforce Innovation and Opportunity Act (WIOA) section 107 (d) (12) (B) and in accordance with the Interlocal Cooperation Act of 1967 (Chapter 39.34, Revised Code of Washington), the Consortium has designated PacMtn as the local grant sub recipient and local fiscal agent. The five counties acting through the Pacific Mountain Consortium appoint the 26 or fewer members of the Board of Directors of PacMtn pursuant to the nomination and appointment process established under WIOA and in accordance with the nomination process prescribed by the Bylaws, approve the Strategic and Operation plans for Workforce Development Area 2; and make recommendations on and approve the selection of workforce service providers.

PacMtn is organized exclusively for educational, charitable, religious, scientific, and/or literary purposes, within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986, as amended from time to time. PacMtn was incorporated on July 7, 2000 and assumed all administrative and fiscal functions beginning January 1, 2011. PacMtn financial statements include the financial position and results of operations for all programs that are controlled by or dependent on PacMtn.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of PacMtn.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.

PacMtn is a single purpose organization with a single fund, and therefore, there is no interfund activity, nor separate statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, PacMtn considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. This criterion applies to all Grant and Contract revenues. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

PacMtn reports the general fund as its major governmental fund. The general fund is PacMtn's operating fund.

When both restricted and unrestricted revenues are available for use, it is PacMtn's policy to use restricted resources first, then unrestricted resources as needed.

D. Budgetary Information

1. Scope of Budget

Annual appropriated budgets are adopted for the general fund on the modified accrual basis of accounting. Appropriations for the general fund lapse at fiscal year-end. Grant and contract revenues are carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

2. Amending the Budget

Any revisions that alter the total expenditures of the general fund or that substantially affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Board of Directors or Executive Committee.

When the Board of Directors determines that it is in the best interest of PacMtn to increase or decrease the appropriation for the general fund, it may do so by a motion approved by the majority during a regularly scheduled meeting.

The financial statements contain the original and final modified budget information. The original budget is the first complete appropriated budget. The modified final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year. PacMtn adjusted the original budget twice during this fiscal year but is not limited to the number of budget adjustments.

3. Excess of Expenditures Over Appropriations

Any excess or non-reimbursable expenditures are expensed to non-grant-related general funds.

E. Assets, Liabilities, Fund Balance, Net Position

1. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and investments with a maturity of less than three months when purchased. At June 30, 2024, PacMtn was holding \$0.00 in short-term investments.

2. Investments

Acting as fiscal agent for the Consortium, PacMtn may place certificates of deposit only with institutions that are guaranteed by The Federal Deposit Insurance Corporation (FDIC) or The Federal Savings and Loan Deposit Insurance Corporation (FSLIC). These certificates are valued at purchase price plus accrued interest through year-end, based on the interest rate of the certificate. At June 30, 2024, PacMtn was holding \$242,100.38 in Investments.

3. Receivables

Receivables consist of amounts owed from government agencies or private organizations or organizations for goods and services, including amounts owed for which billings have not been prepared.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

4. Capital Assets

Capital assets, which include equipment, are reported on the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Assets are depreciated using the straight-line method over the estimated useful lives of the asset.

Assets	Years
Vehicles	5 years
Multifunction devices (printer/copier/fax)	6 years
Accounting system software package	5 years

5. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation leave. All vacation pay is accrued when incurred in the government-wide financial statements.

- A. Vacation pay, paid time off, which may be accumulated up to a maximum of 720 hours, is payable upon termination, resignation, retirement, death, or:
 - a. Annual Payment Opportunity. Once a year, within 30 days of the new calendar year, employees may choose to be paid for accrued Paid Time Off in any amount up to 240 hours, provided that the employee has a remaining accrued balance of Paid Time Off of at least 360 hours. In the case of a personal emergency, employees may be paid for a portion of accrued Paid Time Off with the approval of the Chief Financial Officer.

6. Other Current Liabilities

These accounts consist of accrued wages and accrued employee benefits.

7. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. Error Corrections

PacMtn had one error correction:

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

PacMtn failed to adopt GASB 75 in prior years. GASB 75 requires reporting of OPEB liabilities, including subsidies that lower monthly premiums for members aged 65 and older enrolled in Medicare Parts A and B. When PacMtn joined the Public Employee Benefits Board (PEBB) medical plans in 2022, it should have recorded the related beginning liability. Using the Office of the State Actuary's tool, the beginning liability was calculated as \$603,210, which reduced the beginning net position.

Fund	6/30/2023 as previously reported	Change in accountin g Principle	Change To/ Within the financial reporting Entity	Error CorrectiDo n	06/30/23 as restated/ Adjusted
Governmental activities	1,024,578			(603,210)	421,368

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

PacMtn’s deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or federal savings and loan insurance (FSLIC).

INVESTMENTS

As of June 30, 2024, PacMtn had \$242,100.38 in investments through a 6-month certificate of deposit and will mature on 12/20/2024. PacMtn has no deposit or investment policy that addresses a specific type of risk, all investments are covered by depository insurance so there is no custodial credit risk.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ending June 30, 2024, was as follows:

Governmental Activities	Beginning Balance 7/1/23	Increases	Decreases	Ending Balance 6/30/24
Capital assets, being depreciated:				
Vehicles	-0-	-0-	-0-	-0-
Office Equipment	10,662	-0-	-0-	10,662
Leasehold Improvements	-0-	-0-	-0-	-0-
Total capital assets being depreciated	10,662	-0-	-0-	10,662
Less accumulated depreciation for:				
Vehicles	-0-	-0-	-0-	-0-
Office Equipment	6,327	-0-	-0-	6,327
Leasehold Improvements	-0-	-0-	-0-	-0-
Total accumulated depreciation	6,327	-0-	-0-	6,327
Governmental activities capital assets, net				<u>4,335</u>

NOTE 4 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirement of GASB 68, *Accounting and Financial Reporting for Pensions* for the year 2023:

Aggregate Pension Amounts - All Plans	
Pension liabilities	(183,189)
Pension assets	425,156
Deferred outflows of resources	608,437
Deferred inflows of resources	(305,712)
Pension expense/expenditures	(125,109)

State Sponsored Pension Plans

Substantially all PacMtn full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

The following disclosures are made pursuant to GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions - The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

includes an administrative expense component that is currently set at 0.20 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
July – August 2023		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Total	9.39%	6.00%
September – June 2024		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Total	9.53%	6.00%

PacMtn contributed \$50,824 to PERS 1 through the UAAL calculation.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member’s 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions - The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.20 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2*
July – August 2023		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	9.39%	6.36%
September – June 2024		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
Employee PERS Plan 3		Varies
Total	9.53%	6.36%

PacMtn’s contributions to the plans were \$109,423 for year ended June 30, 2024.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined by an actuarial valuation as of June 30, 2022, with the results rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all prior periods included in the measurement:

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status (that is...active, retiree, or survivor), as our base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of the *2013-2018 Demographic Experience Study Report* and the *2021 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report.

Long-Term Expected Rate of Return

OSA selected a 7.00% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2021:

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.4%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	100%	

The inflation component used to create the table is 2.20% and represents the WSIB’s most recent long-term estimate of broad economic inflation consistent with their 2021 CMAs.

For additional information and background on OSA’s development of the long-term rate of return assumption, please see the *2021 Report on Financial Condition and Economic Study* located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the ACFR Actuarial Certification Letter.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan’s fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Based on the assumptions described in our Certification Letter, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00% on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability/(Asset)

The table below presents PacMtn’s proportionate share of the net pension liability or asset calculated using the discount rate of 7.0 percent, as well as what PacMtn’s proportionate share of the net pension liability or asset would be if it were calculated using a discount rate that is 1-

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PERS 1	\$255,929	\$183,189	\$119,704
PERS 2/3	\$462,409	\$(425,156)	\$ (1,154,347)

Pension Plan Fiduciary Net Position

Detailed information about the State’s pension plans’ fiduciary net position is available in the separately issued DRS financial report.

Pension (Liabilities) Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, PacMtn reported its proportionate share of the net pension liability or Asset as follows:

	(Liability) or Asset
PERS 1	\$(183,189)
PERS 2/3	\$425,156

At June 30, 2024, PacMtn’s proportionate share of the collective net pension assets was as follows:

	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportion
PERS 1	%.010825	%.008025	.002800%
PERS 2/3	%.014064	%.010373	.003691%

Employer contribution transmittals received and processed by DRS for the fiscal year ended June 30, 2023, are used as the basis for determining each employer’s proportionate share of the collective pension amounts reported by DRS in the *Schedules of Employer and Non-employer Allocations* for all plans except LEOFF 1.

Pension Expense

For the year ended June 30, 2024, PacMtn recognized pension expense as follows:

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

	Pension Expense
PERS 1	\$ (93,074)
PERS 2/3	\$ (32,036)
TOTAL	\$(125,109)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024, PacMtn reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>PERS Plan 1</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments	\$0	\$(20,665)
Changes of assumptions	\$0	\$0
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	\$50,824	\$0
TOTAL	\$50,824	\$(20,665)

<i>PERS Plan 2/3</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$86,604	\$(4,750)
Net difference between projected and actual investment earnings on pension plan investments	\$0	\$(160,225)
Changes of assumptions	\$178,495	\$(38,905)
Changes in proportion and differences between contributions and proportionate share of contributions	\$183,091	\$(81,168)

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

Contributions subsequent to the measurement date	\$109,423	\$0
TOTAL	\$557,614	\$(285,048)

Deferred outflows of resources related to pensions resulting from PacMtn’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	<i>PERS 1</i>
2024	\$(14,059)
2025	\$(17,681)
2026	\$ 10,902
2027	\$ 174
Thereafter	\$ 0
Total	\$(20,665)

Year ended June 30:	<i>PERS 2/3</i>
2024	\$(72,129)
2025	\$(71,061)
2026	\$ 152,710
2027	\$ 64,220
2028	\$ 71,477
Thereafter	\$ 17,925
Total	\$ 163,142

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Employer Provided Subsidies In Public Employee Benefits Board (PEBB) medical Plans

PacMtn is a participating employer in the state’s Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority (HCA). The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

Office of the State Actuary, a department within the primary government of the State of Washington, issues a publicly available annual PEBB OPEB Actuarial Valuation report. It is available for download from the Office of the State Actuary at:

<https://leg.wa.gov/osa/additionalservices/pages/OPEB.aspx>

GASB 75 Alternative Measurement Method for PEBB

The total OPEB liability generally is required to be determined through an actuarial valuation. However, if fewer than 100 employees (active and inactive) are provided with OPEB through the plan, use of a specified alternative measurement method (AMM) in place of an actuarial valuation is permitted. The Office of the State Actuary (OSA) created an online tool to help small employers calculate their individual reporting requirements. PacMtn adopted the AMM provided by OSA.

Actuarial Assumptions

OSA published the 2023 PEBB OPEB Actual Valuation produced GASB 75 accounting results based on a June 30, 2022, valuation date. For purposes of this analysis, they rolled forward those results to a measurement date of June 30, 2023, reflecting service cost, assumed interest, and actual benefit payments. Since there is no established trust fund dedicated to these benefits, OSA relied on the Bond Buyer General Obligation 20-Bond Municipal Index at the measurement date for the discount rate. Additionally, in providing the tool for use the OSA provided approaches to calculation and simplifying assumptions reasonable for the purposes of the AMM. They performed internal testing on the Total OPEB Liability to ensure a reasonable relationship between the latest actuarial valuation and the tool.

PacMtn’s share for the fiscal year ended June 2024.

Fiscal year ended June 30:	
Number of Active Plan Members	24
Number of Retired Plan Members	1
Contributions Made	\$ 297,678.39
*Total OPEB Liability	\$634,903

**Measured using the alternative measurement method*

The Total OPEB Liability for the fiscal year ended June 30, 2023, includes a current portion of \$7,980 for projected benefit payments expected to be made between July 1, 2023, and June 30, 2024. The remaining liability of \$626,923 is classified as a long-term OPEB liability

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

PEBB OPEB Changes in Total OPEB Liability (TOL), OPEB Expense, Deferred Outflows, and Related Ratios.

Schedule of Changes in Total OPEB Liability and Related Ratios	
<i>Measurement Date of June 30, 2023</i>	
Total OPEB Liability (TOL)	
Service Cost	\$30,674
Interest Cost	\$22,309
Changes in Experience Data and Assumptions	(\$13,874)
Changes in Benefit Terms	\$0
Benefit Payments	(\$7,416)
Other	\$0
Net Change in Total OPEB Liability	\$31,693
Total OPEB Liability – Beginning	\$603,210
Total OPEB Liability – Ending	\$634,903
Covered Employee Payroll	\$1,736,654
TOL as a Percentage of Covered Payroll	36.56%

Schedule of Changes in Total OPEB Liability and Related Ratios	
<i>Measurement Date of June 30, 2023</i>	
Total OPEB Liability (TOL)	
Service Cost	\$30,674
Interest Cost	\$22,309
Changes in Experience Data and Assumptions	(\$13,874)
Changes in Benefit Terms	\$0
Benefit Payments	(\$7,416)
Other	\$0
Net Change in Total OPEB Liability	\$31,693
Total OPEB Liability - Beginning	\$603,210
Total OPEB Liability - Ending	\$634,903
Covered Employee Payroll	\$1,736,654

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

TOL as a Percentage of Covered Payroll	36.56%
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OPEB Expense for Fiscal Year Ending June 30, 2024	
Service Cost	\$30,674
Interest Cost	\$22,309
Changes in Experience Data and Assumptions	(\$13,874)
Changes in Benefit Terms	\$0
Other Changes in Fiduciary Net Position	\$0
Total OPEB Expense	\$39,109
Transactions Subsequent to Measurement Date	\$7,980

Transactions Subsequent to Measurement Date: Subsequent to the measurement date of 6/30/2023, the estimated transactions related to benefit payments amounted to \$7,980. This represents the projected benefits paid from 7/1/2023 to 06/30/2024, based on the first-year projected subsidy of \$665 per month. These amounts are for informational purposes and are included in the Required Supplementary Information, but do not affect the Total OPEB Liability for the fiscal year ended 06/30/2023. These transactions relate to benefits paid between 06/30/2023 and PacMtn’s financial statement end date of 06/30/2024 and will be reflected in the calculation of the OPEB liability for the next fiscal year.

Sensitivity Analysis			
Total OPEB Liability	1% Decrease	Current	1% Increase
Discount Rate	\$765,784	\$634,903	\$531,472
Healthcare Trend	\$517,156	\$634,903	\$788,948

Methodology	
Actuarial Valuation Date	6/30/2023
Actuarial Measurement Date	6/30/2023
Actuarial Cost Method	Entry Age
Amortization Method	Recognized Immediately
Asset Valuation Method	N/A (No Assets)
Assumptions	
Discount Rate	
Beginning of Measurement Year	3.54%
End of Measurement Year	3.65%
Projected Salary Changes	3.25% + Service-Based Increases

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

Healthcare Trend Rates	Initial rate ranges from about 2-16%, reaching an ultimate rate of approximately 3.8% in 2075.
Mortality Rates	
Base Mortality Table	PubG.H-2010 (General)
Age Setback	0 years
Mortality Improvements	MP-2017 Long-Term Rates
Projection Period	Generational
Inflation Rate	2.35%
Post-Retirement Participation Percentage	60.00%
Percentage with Spouse Coverage	45.00%

NOTE 6 – RISK MANAGEMENT

PacMtn has obtained insurance through Propel Insurance and the Non-Profit Insurance Program. The insurance policies cover PacMtn for property (at replacement cost), equipment, general liability, automobile liability and damage, Directors and Officers liability, miscellaneous professional liability, crime, and excess crime for employee theft. PacMtn enforces several human resource policies designed to limit exposure to litigation in employment practices. The Worker’s Compensation Fund covers injuries to employees.

There have been no settlements in the past three years that have exceeded insurance coverage.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

NOTE 7 – LEASES

PacMtn has implemented GASB 87 for lease accounting. PacMtn holds a lease for its administrative office. Total cost for the lease was \$168,124.88 for the year ended June 30, 2024. PacMtn also holds a sub-lease for one other location in our region, for a total of \$14,968.26 for the year ended June 30, 2024.

The future minimum lease payments for these leases are as follows:

Term	Administrative Office Olympia**	Mason County YMCA***
July 1, 2023 – June 30, 2024	\$168,124.88	\$14,968.26
July 1, 2024 – June 30, 2025	\$174,849.84	\$15,417.27
July 1, 2025 – June 30, 2026	\$181,843.88	\$15,879.72
July 1, 2026 – June 30, 2027	\$189,117.60	\$16,356.06
July 1, 2027 – June 30, 2028	\$97,063.98	\$12,540.96

* Lease agreement from 11/1/2022 – 12/31/2027

** Sub-lease agreement from 4/1/2021 – 3/31/2028

At June 30, 2024, the total amount of lease assets, and the related accumulated amortization are as follows:

	Beginning Balance 7/1/23	Increases	Decreases	Ending Balance 6/30/24
Leased Buildings	\$820,930	\$0	\$0	\$820,930
Total	\$820,930	\$0	\$0	\$820,930
Accum. Amor. Leased Buildings	\$87,869	\$162,147	\$0	\$250,016
Total	\$87,869	\$162,147	\$0	\$250,016

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

At June 30, 2024, the principal and interest requirements to maturity are as follows:

Year ended June 30	Principal	Interest	Total
2024	132,926	50,167	183,093
2025	150,328	39,939	190,267
2026	169,342	28,381	197,723
2027	190,105	15,369	205,474
2028	107,251	2,354	109,605
Total	749,952	136,210	886,162

PacMtn has annual cost sharing agreements for office space for employees located in various worksites in our five-county region. Rent payments vary year to year and are not on long term contracts.

NOTE 8 – CHANGES IN LONG TERM LIABILITIES

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024	Due Within One Year
Governmental Activities					
OPEB Liability	\$603,210	\$39,109	\$7,416	\$634,903	\$7,980
Pension Liability	\$301,408	\$0	\$118,219	\$183,189	\$0
Lease Liability	\$749,953	\$0	\$132,926	\$617,027	\$150,328

NOTE 9 – CONTINGENCIES AND LITIGATIONS

PacMtn’s financial statements include all material liabilities and there are no contingent liabilities to record. PacMtn is not currently involved in any lawsuits or other legal action nor is it aware of any pending litigation.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Financial Statements
Year Ending June 30, 2024

PacMtn participates in a number of federal, state, and other programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. PacMtn's management believes that such disallowances, if any, would be immaterial.

NOTE 10 – OTHER DISCLOSURES

A. Related Party Transactions

The PacMtn Board of Directors and staff members have professional and personal associations throughout the community. Where a direct or indirect conflict of interest exists as a result of these associations, the Board or staff member must abstain from any discussion and voting concerning the matter. Board and staff members must publicly disclose all such associations for inclusion in the meeting minutes. Staff and Board members adhere to internal administrative policies regarding the code of ethics and conflicts of interest.

B. Committed Fund Balance

PacMtn has committed funds comprised of the Equipment Repair & Replacement in the amount of \$14,667 and unassigned funds comprised of unrestricted earnings in the amount of \$962,591. Committed funds are amounts constrained to specific purposes by the Board of Directors, using its highest level of decision-making authority; to be reported as committed; once formal action is taken via majority vote to establish (and modify or rescind) a fund balance commitment. PacMtn considers committed and unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Pacific Mountain Workforce Development Council
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts
	Original	Final	(Budgetary Basis)
Budgetary Fund Balance, July 1	748,945	748,945	748,945
Resources (Inflows)			
Grant and Contract Revenue	9,919,394	16,682,609	8,397,027
Investment and Other Income	-	-	7,322
Amounts Available for Appropriation:	<u>9,919,394</u>	<u>16,682,609</u>	<u>8,404,349</u>
Charges to Appropriations (Outflows)			
Payroll, Taxes & Benefits	1,982,557	2,044,365	2,479,285
Program Sub-Contractors	4,908,683	5,561,960	4,224,934
Participant Payments/In house programs	733,561	741,348	712,110
Facilities	195,807	195,753	247,769
Professional Services	186,597	151,167	373,121
Training & Travel	106,669	148,603	109,491
Insurance	14,500	11,162	11,692
Other	392,308	447,973	90,581
Total Charges to Appropriations	<u>8,520,682</u>	<u>9,302,329</u>	<u>8,248,983</u>
Budgetary Fund Balance, June 30	<u>2,147,657</u>	<u>8,129,225</u>	<u>904,310</u>

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Note to Budgetary Comparison Schedule
Year Ended June 30, 2024

NOTE 1 – BUDGET AMOUNTS AND VARIANCES

The budgetary comparison schedule is prepared using the modified accrual basis of accounting with exception for compensated absences, capital assets, and prepaid expenses. These are reported using the accrual basis of accounting.

NOTE 2 – BUDGETARY CONTROLS OBJECTIVE

The Council maintains budgetary controls over its fund. The objective of budgetary controls is to ensure compliance with legal requirements embodied in state law, and the agreement providing for creation and operation for the Council.

A Budgetary comparison schedule provides the following types of information:

1. The original budget – the first complete legally appropriated budget adjusted for changes occurring before the beginning of the fiscal year. The original budget also includes initial appropriation amounts automatically carried over from prior grant years.
2. The final budget – including all legally authorized changes including those occurring during the fiscal year.
3. Actual inflows, outflows, and balances.

NOTE 3 – RECONCILIATION TO THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Total amounts reported for governmental activities in the Statement of Revenues, Expenditures and Changes in Fund Balances are different by \$(39,569.59) because of \$(12,937.63) from compensated absences and \$(26,632) from prepaid expenses.

The Budgetary Comparison is developed based on the format of the organizations approved budget rather than matching the presentation provided in the Statement of Revenues, Expenditures and Changes in Fund Balance. The two major differences in presentation are first the Budget Comparison combines all direct services costs, which includes a portion of salaries, benefits, facilities, professional services, travel, and other and includes it in the category of Participant Payments. Additionally, the budget records all revenue as the grants are awarded, whereas the Statement of Revenue is recorded as the revenue is earned on a cost reimbursement basis.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Pacific Mountain Workforce Development Council
 Schedule of Proportionate Share of the Net Pension Liability (Asset)
 Public Employees Retirement System - Plan 1
 As of June 30, 2023
 Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	%	0.008025%	0.010825%	0.013656%	0.016791%	0.015456%	0.014123%	0.018272%	0.015500%	0.013883%
Employer's proportionate share of the net pension liability (asset)	\$	183,189	301,408	166,772	592,813	594,338	630,738	867,021	832,423	699,363
TOTAL	\$	<u>183,189</u>	<u>301,408</u>	<u>166,772</u>	<u>592,813</u>	<u>594,338</u>	<u>630,738</u>	<u>867,021</u>	<u>832,423</u>	<u>699,363</u>
Covered payroll	\$	1,422,975	1,682,195	2,078,712	2,566,232	2,175,717	2,045,260	2,135,123	1,888,229	1,507,525
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	12.87%	17.92%	8.02%	23.10%	27.32%	30.84%	40.61%	44.08%	46.39%
Plan fiduciary net position as a percentage of the total pension liability	%	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	61.19%

Notes to Schedule:

Contributions are calculated based on rates set by the Department of Retirement Systems for that fiscal year. Contributions vary year to year depending on the rates set and the amount of covered payroll. Staffing level fluctuate depending on the type and amounts of grants in a given year. Staffing levels may begin to even out over the next 5 years as new programs are contracted out rather than staffed by PacMtn employees.

* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Pacific Mountain Workforce Development Council
 Schedule of Proportionate Share of the Net Pension Liability (Asset)
 Public Employees Retirement System - Plan 2/3

As of June 30, 2023
 Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	0.0103730%	0.0140640%	0.0175700%	0.0217880%	0.0199680%	0.0182180%	0.0235030%	0.019837%	0.020046%	0.017698%
Employer's proportionate share of the net pension liability (asset)	\$ (425,156)	\$ (521,603)	\$ (1,750,255)	\$ 278,656	\$ 193,957	\$ 311,056	\$ 816,617	\$ 998,777	\$ 716,255	\$ 357,740
TOTAL	\$ (425,156)	\$ (521,603)	\$ (1,750,255)	\$ 278,656	\$ 193,957	\$ 311,056	\$ 816,617	\$ 998,777	\$ 716,255	\$ 357,740
Covered payroll	\$ 1,422,975	\$ 1,682,195	\$ 2,078,712	\$ 2,566,232	\$ 2,175,717	\$ 2,045,260	\$ 2,135,123	\$ 1,888,229	\$ 1,791,829	\$ 1,507,525
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-29.88%	-31.01%	-84.20%	10.86%	8.91%	15.21%	38.25%	52.89%	39.97%	23.73%
Plan fiduciary net position as a percentage of the total pension liability	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

Notes to Schedule:

Contributions are calculated based on rates set by the Department of Retirement Systems for that fiscal year. Contributions vary year to year depending on the rates set and the amount of covered payroll. Staffing level fluctuate depending on the type and amounts of grants in a given year. Staffing levels may begin to even out over the next 5 years as new programs are contracted out rather than staffed by PacMtn employees.

* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Pacific Mountain Workforce Development Council
 Schedule of Employer Contributions
 Public Employees Retirement System - Plan 1
 As of June 30, 2024
 Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions \$	50,824	54,432	62,409	100,829	122,153	111,264	102,883	101,845	90,068	71,816
Contributions in relation to the statutorily or contractually required contributions \$	50,824	54,432	62,409	100,829	122,153	111,264	102,883	101,845	90,068	71,816
Contribution deficiency (excess) \$	-	-	-	-	-	-	-	-	-	-
Covered payroll \$	1,720,486	1,422,975	1,682,195	2,078,712	2,566,232	2,175,717	2,045,260	2,135,123	1,888,229	1,791,829
Contributions as a percentage of covered payroll %	2.95%	3.83%	3.71%	4.85%	4.76%	5.11%	5.03%	4.77%	4.77%	4.01%

Notes to Schedule:

Contributions are calculated based on rates set by the Department of Retirement Systems for that fiscal year.

Contributions vary year to year depending on the rates set and the amount of covered payroll.

Staffing level fluctuate depending on the type and amounts of grants in a given year.

Staffing levels may begin to even out over the next 5 years as new programs are contracted out rather than staffed by PacMtn employees.

* Until a full 10-year trend is compiled, information is presented for only those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Pacific Mountain Workforce Development Council
 Schedule of Employer Contributions
 Public Employees Retirement System - Plan 2/3
 As of June 30, 2024
 Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 109,423	90,501	106,988	164,634	203,246	163,509	153,224	133,018	117,637	89,987
Contributions in relation to the statutorily or contractually required contributions	\$ 109,423	90,501	106,988	164,634	203,246	163,509	153,224	133,018	117,637	89,987
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 1,720,486	1,422,975	1,682,195	2,078,712	2,566,232	2,175,717	2,045,260	2,135,123	1,888,229	1,791,829
Contributions as a percentage of covered payroll	% 6.36%	6.36%	6.36%	7.92%	7.92%	7.52%	7.49%	6.23%	6.23%	5.02%

Notes to Schedule:

Contributions are calculated based on rates set by the Department of Retirement Systems for that fiscal year.

Contributions vary year to year depending on the rates set and the amount of covered payroll.

Staffing level fluctuate depending on the type and amounts of grants in a given year.

Staffing levels may begin to even out over the next 5 years as new programs are contracted out rather than staffed by PacMtn employees.

* Until a full 10-year trend is compiled, information is presented for only those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Pacific Mountain Workforce Development Council
 Schedule of Proportionate Share of the Net Pension Liability (Asset)
 Public Employees Retirement System - Plan 1
 As of June 30, 2023
 Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	%	0.008025%	0.010825%	0.013656%	0.016791%	0.015456%	0.014123%	0.018272%	0.015500%	0.013883%
Employer's proportionate share of the net pension liability (asset)	\$	183,189	301,408	166,772	592,813	594,338	630,738	867,021	832,423	699,363
TOTAL	\$	<u>183,189</u>	<u>301,408</u>	<u>166,772</u>	<u>592,813</u>	<u>594,338</u>	<u>630,738</u>	<u>867,021</u>	<u>832,423</u>	<u>699,363</u>
Covered payroll	\$	1,422,975	1,682,195	2,078,712	2,566,232	2,175,717	2,045,260	2,135,123	1,888,229	1,507,525
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	12.87%	17.92%	8.02%	23.10%	27.32%	30.84%	40.61%	44.08%	46.39%
Plan fiduciary net position as a percentage of the total pension liability	%	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	61.19%

Notes to Schedule:

Contributions are calculated based on rates set by the Department of Retirement Systems for that fiscal year. Contributions vary year to year depending on the rates set and the amount of covered payroll. Staffing level fluctuate depending on the type and amounts of grants in a given year. Staffing levels may begin to even out over the next 5 years as new programs are contracted out rather than staffed by PacMtn employees.

* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Pacific Mountain Workforce Development Council
 Schedule of Proportionate Share of the Net Pension Liability (Asset)

Public Employees Retirement System - Plan 2/3
 As of June 30, 2023
 Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset)	%	0.0103730%	0.0140640%	0.0175700%	0.0217880%	0.0199680%	0.0235030%	0.019837%	0.020046%	0.017698%
Employer's proportionate share of the net pension liability (asset)	\$	(425,156)	(521,603)	(1,750,255)	278,656	193,957	816,617	998,777	716,255	357,740
TOTAL	\$	(425,156)	(521,603)	(1,750,255)	278,656	193,957	816,617	998,777	716,255	357,740
Covered payroll	\$	1,422,975	1,682,195	2,078,712	2,566,232	2,175,717	2,135,123	1,888,229	1,791,829	1,507,525
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	-29.88%	-31.01%	-84.20%	10.86%	8.91%	38.25%	52.89%	39.97%	23.73%
Plan fiduciary net position as a percentage of the total pension liability	%	107.02%	106.73%	120.29%	97.22%	97.77%	90.97%	85.82%	89.20%	93.29%

Notes to Schedule:

Contributions are calculated based on rates set by the Department of Retirement Systems for that fiscal year. Contributions vary year to year depending on the rates set and the amount of covered payroll. Staffing level fluctuate depending on the type and amounts of grants in a given year. Staffing levels may begin to even out over the next 5 years as new programs are contracted out rather than staffed by PacMtn employees.

* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Pacific Mountain Workforce Development Council
 Schedule of Employer Contributions
 Public Employees Retirement System - Plan 1
 As of June 30, 2024
 Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions \$	50,824	54,432	62,409	100,829	122,153	111,264	102,883	101,845	90,068	71,816
Contributions in relation to the statutorily or contractually required contributions \$	50,824	54,432	62,409	100,829	122,153	111,264	102,883	101,845	90,068	71,816
Contribution deficiency (excess) \$	-	-	-	-	-	-	-	-	-	-
Covered payroll \$	1,720,486	1,422,975	1,682,195	2,078,712	2,566,232	2,175,717	2,045,260	2,135,123	1,888,229	1,791,829
Contributions as a percentage of covered payroll %	2.95%	3.83%	3.71%	4.85%	4.76%	5.11%	5.03%	4.77%	4.77%	4.01%

Notes to Schedule:

Contributions are calculated based on rates set by the Department of Retirement Systems for that fiscal year.

Contributions vary year to year depending on the rates set and the amount of covered payroll.

Staffing level fluctuate depending on the type and amounts of grants in a given year.

Staffing levels may begin to even out over the next 5 years as new programs are contracted out rather than staffed by PacMtn employees.

* Until a full 10-year trend is compiled, information is presented for only those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

Pacific Mountain Workforce Development Council
 Schedule of Employer Contributions
 Public Employees Retirement System - Plan 2/3
 As of June 30, 2024
 Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 109,423	90,501	106,988	164,634	203,246	163,509	153,224	133,018	117,637	89,987
Contributions in relation to the statutorily or contractually required contributions	\$ 109,423	90,501	106,988	164,634	203,246	163,509	153,224	133,018	117,637	89,987
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 1,720,486	1,422,975	1,682,195	2,078,712	2,566,232	2,175,717	2,045,260	2,135,123	1,888,229	1,791,829
Contributions as a percentage of covered payroll	% 6.36%	6.36%	6.36%	7.92%	7.92%	7.52%	7.49%	6.23%	6.23%	5.02%

Notes to Schedule:

Contributions are calculated based on rates set by the Department of Retirement Systems for that fiscal year.

Contributions vary year to year depending on the rates set and the amount of covered payroll.

Staffing level fluctuate depending on the type and amounts of grants in a given year.

Staffing levels may begin to even out over the next 5 years as new programs are contracted out rather than staffed by PacMtn employees.

* Until a full 10-year trend is compiled, information is presented for only those years for which information is available.

Pacific Mountain Workforce Development Council
 Schedule of Changes in Total OPEB Liability and Related Ratios
 Public Employee Benefits Board Retiree Medical Plans
 For the year ended June 30, 2024
 Last 10 Fiscal Years*

	2023
Total OPEB liability - beginning	\$ 603,210
Service cost	30,674
Interest	22,309
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions	(13,874)
Benefit payments	(7,416)
Other	634,903
Total OPEB liability - ending	634,903
Covered-employee payroll	1,736,654
Total OPEB liability as a % of covered-employee payroll	36.56%

Notes to Schedule:

No assets are accumulated in a qualifying trust.
 Contributions vary year to year depending on the rates set and the amount of covered payroll.
 Staffing level fluctuate depending on the type and amounts of grants in a given year.
 Subsequent to the measurement date of 6/30/2023, the estimated transactions related to benefit payments amounted to \$7,980. This represents the projected benefits paid from 7/1/2023 to 06/30/2024, based on the first-year projected subsidy of \$665 per month. These amounts are for informational purposes and are included in the Required Supplementary Information, but do not affect the Total OPEB Liability for the fiscal year ended 06/30/2023.

The Total OPEB Liability for the fiscal year ended June 30, 2023, includes a current portion of \$7,980 for projected benefit payments expected to be made between July 1, 2023, and June 30, 2024. The remaining liability of \$626,923 is classified as a long-term OPEB liability

* Until a full 10-year trend is compiled, only information for those years available is presented.

**Pacific Mountain Workforce Development Council
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ONR, DEPT OF DEFENSE (via American Lightweight Materials Manufacturing Innovation Institute (ALMMII))	Basic and Applied Scientific Research	12.300	M-017-01	54,435	-	54,435	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20-6221C-135	107,169	-	107,169	-	
WIOA Cluster								
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Adult Program	17.258	6102-7102	246,876	-	246,876	150,105	2,3,4
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Adult Program	17.258	6102-7103	763,094	-	763,094	446,450	2,3,4
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Adult Program	17.258	6102-7302	45,951	-	45,951	-	2,3,4

The accompanying notes are an integral part of this schedule.

**Pacific Mountain Workforce Development Council
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Expenditures								
Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients	Note
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Adult Program	17.258	6102-7303	47,248	-	47,248	-	2,3,4
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Adult Program	17.258	6102-7622-07	37,604	-	37,604	26,555	2,3,4
			Total ALN 17.258:	1,140,773	-	1,140,773	623,109	
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Youth Activities	17.259	6102-7002	506,869	-	506,869	279,269	2,3,4
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Youth Activities	17.259	6102-7003	590,178	-	590,178	326,679	2,3,4
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Youth Activities	17.259	6102-7302	46,547	-	46,547	-	2,3,4
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Youth Activities	17.259	6102-7303	47,146	-	47,146	-	2,3,4

The accompanying notes are an integral part of this schedule.

**Pacific Mountain Workforce Development Council
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Youth Activities	17.259	6102-7622-07	225,622	-	225,622	159,330	2,3,4
		Total ALN 17.259:			1,416,362	-	1,416,362	765,278
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Dislocated Worker Formula Grants	17.278	6102-7202	487,729	-	487,729	279,901	2,3,4
		Total ALN 17.278:			836,601	-	836,601	551,799
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Dislocated Worker Formula Grants	17.278	6102-7302	52,394	-	52,394	-	2,3,4
		Total ALN 17.278:			48,094	-	48,094	-
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA Dislocated Worker Formula Grants	17.278	6102-7622-07	50,138	-	50,138	35,407	2,3,4
		Total ALN 17.278:			50,138	-	50,138	35,407

The accompanying notes are an integral part of this schedule.

**Pacific Mountain Workforce Development Council
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			Total ALN 17.278:	1,474,956	-	1,474,956	867,107	
			Total WIOA Cluster:	4,032,091	-	4,032,091	2,255,494	
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF	Reentry Employment Opportunities	17.270	PE-38619-22- 60-A-53	-	318,405	318,405	129,559	2,3,4
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	6102-7542-02	471,255	-	471,255	320,945	2,3,4
EMPLOYMENT AND TRAINING ADMINISTRATION, LABOR, DEPARTMENT OF (via Washington State Employment Security)	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	6102-7572-03	746,858	-	746,858	504,894	2,3,4
			Total ALN 17.277:	1,218,113	-	1,218,113	825,839	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Washington Thurston County)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	0032021001000 10000 ADM 2	182,191	-	182,191	-	2,3,4
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Washington Thurston County)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	0032022001000 00000	202,967	-	202,967	-	2,3,4
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Washington Thurston County)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	20-6541C-276 Adm 1	134,180	-	134,180	108,317	2,3,4

The accompanying notes are an integral part of this schedule.

**Pacific Mountain Workforce Development Council
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			Total ALN 21,027:	519,338	-	519,338	108,317	
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, EDUCATION, DEPARTMENT OF (via Washington DCYF)	Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	2112-22750	26,181	-	26,181	-	
			Total Federal Awards Expended:	5,957,327	318,405	6,275,732	3,319,209	

The accompanying notes are an integral part of this schedule.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

NOTE 1 – BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the Pacific Mountain Workforce Development Council's (PacMtn) financial statements. PacMtn uses the accrual basis of accounting.

NOTE 2 – FEDERAL DE MINIMIS INDIRECT COST RATE

PacMtn has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – INDIRECT COST RATE

PacMtn allocates indirect costs to programs each month based on the direct labor costs incurred by that program that month. During the year ended June 30, 2024, \$582,826 in indirect program costs and \$193,805 in indirect admin costs were allocated to programs based on \$2,063,687 direct labor costs. PacMtn has an approved provisional indirect cost rate of 35.74% from the U.S. Department of Labor. This rate is used for planning purposes and amounts charged are based on actuals.

NOTE 4 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including PacMtn's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

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