



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Financial Statements and Federal Single Audit Report

Asotin County

For the period January 1, 2013 through December 31, 2013

Published September 18, 2014

Report No. 1012580





Washington State Auditor
Troy Kelley

September 18, 2014

Asotin County
Asotin, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Asotin County's financial statements and compliance with federal laws and regulations.

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

Sincerely,

TROY KELLEY
STATE AUDITOR

Table of Contents

Asotin County
Asotin County
January 1, 2013 through December 31, 2013

Federal Summary	4
Independent Auditor's 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	6
Independent Auditor's Report On Compliance For Each Major Federal Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133	8
Independent Auditor's Report On Financial Statements	11
Financial Section.....	14
About The State Auditor's Office.....	41

Federal Summary

Asotin County January 1, 2013 through December 31, 2013

The results of our audit of Asotin County are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

FINANCIAL STATEMENTS

An unmodified opinion was issued on the financial statements.

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 County.

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 County's compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following was a major program during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
20.205	Highway Planning and Construction Cluster - Highway Planning and Construction

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

The County qualified as a low-risk auditee under OMB Circular A-133.

Independent Auditor's 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*

**Asotin County
January 1, 2013 through December 31, 2013**

Asotin County
Asotin, 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 Asotin County, Washington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 11, 2014.

We issued an unmodified opinion on the fair presentation of the County's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the County using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 County'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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 County'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 County'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.



TROY KELLEY
STATE AUDITOR

September 11, 2014

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

**Asotin County
January 1, 2013 through December 31, 2013**

Asotin County
Asotin, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of Asotin County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the accompanying Federal Summary.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County 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 December 31, 2013.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. 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.

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

September 11, 2014

Independent Auditor's Report on Financial Statements

Asotin County January 1, 2013 through December 31, 2013

Asotin County
Asotin, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Asotin County, Washington, for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 14.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, Asotin County has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Asotin County, for the year ended December 31, 2013, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the County used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Asotin County, as of December 31, 2013, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

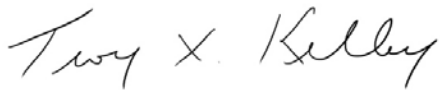
Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Liabilities is also presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2014 on our consideration of the County'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 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 County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

September 11, 2014

Financial Section

Asotin County
January 1, 2013 through December 31, 2013

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2013
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2013
Notes to the Financial Statements – 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2013
Schedule of Expenditures of Federal Awards – 2013
Notes to the Schedule of Expenditures of Federal Awards – 2013

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 Current Expense	101 County Road	103 Capital Improvement
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	67,230	0	0	0
30880	Beg Fund Bal-Unreserved	23,362,524	3,498,546	2,244,770	845,116
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	6,025,653	3,840,462	1,165,620	106,562
320	Licenses & Permits	227,881	219,677	1,980	0
330	Intergovernmental Revenues	10,534,065	1,652,652	3,610,531	0
340	Charges for Goods and Services	5,126,675	1,349,857	90,943	0
350	Fines & Penalties	169,729	169,729	0	0
360	Miscellaneous Revenues	2,023,500	244,787	4,430	0
Total Operating Revenues:		24,107,501	7,477,163	4,873,503	106,562
Operating Expenditures					
510	General Government	3,949,382	3,574,642	0	0
520	Public Safety	3,450,719	3,398,953	0	0
530	Utilities	1,993,900	0	0	0
540	Transportation	3,407,342	0	2,683,019	0
550	Natural and Economic Environment	207,601	12,743	5,513	0
560	Social Services	3,079,053	26,500	0	0
570	Culture And Recreation	1,120,074	96,634	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		17,208,071	7,109,471	2,688,532	
Net Operating Increase (Decrease):		6,899,432	367,691	2,184,971	106,562
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	111,576	24,054	0	0
391-393	Debt Proceeds	3,606	0	0	0
397	Transfers-In	1,362,681	389,750	0	0
Total Nonoperating Revenues:		1,477,864	413,804		
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	81,409	361	0	0
591-593	Debt Service	760,152	0	0	0
594-595	Capital Expenditures	4,409,948	49,786	1,615,888	5,627
597	Transfers-Out	1,362,681	678,722	0	0
Total Nonoperating Expenditures:		6,614,190	728,869	1,615,888	5,627
Increase (Decrease) in Cash and Investments		1,763,105	52,627	569,083	100,935
Ending Cash and Investments					
50810	End Fund Bal-Reserved	67,730	0	0	0
50880	End Fund Balance-Unreserved	25,124,730	3,551,173	2,813,853	946,051

The accompanying notes are an integral part of this Statement.

BARS Code		104 County Fair	107 Veteran's Relief	109 Emergency Services	110 Auditor's O&M
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	67,230	0	0	0
30880	Beg Fund Bal-Unreserved	41,947	6,180	26,731	626,156
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	16,783	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	126,263	33	96,501	54,578
340	Charges for Goods and Services	60,625	0	4,000	9,415
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	39,554	0	0	900
Total Operating Revenues:		226,443	16,816	100,501	64,894
Operating Expenditures					
510	General Government	0	0	0	8,095
520	Public Safety	0	0	23,818	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	7,469	0	0
560	Social Services	0	6,863	0	0
570	Culture And Recreation	160,453	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		160,453	14,331	23,818	8,095
Net Operating Increase (Decrease):		65,989	2,484	76,683	56,799
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	95,026	0	83,563	6,926
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:		95,026		83,563	6,926
Increase (Decrease) in Cash and Investments		-29,037	2,484	-6,880	49,873
Ending Cash and Investments					
50810	End Fund Bal-Reserved	67,730	0	0	0
50880	End Fund Balance-Unreserved	12,411	8,664	19,850	676,029

The accompanying notes are an integral part of this Statement.

BARS Code		112 Noxious Weed	117 Anatone Community Hall	123 Community Block Grant	125 Boating Safety
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	115,296	8,163	1,251	20,534
38800/58800	Prior Period Adjustments, net	0	0	-1,251	0
Operating Revenues					
310	Taxes	65,255	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	17,560	0	41,173	7,254
340	Charges for Goods and Services	5,000	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	8,848	6,544	0	0
Total Operating Revenues:		96,663	6,544	41,173	7,254
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	1,688
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	111,878	0	0	0
560	Social Services	0	0	41,173	0
570	Culture And Recreation	0	5,000	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		111,878	5,000	41,173	1,688
Net Operating Increase (Decrease):		-15,215	1,544	0	5,566
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	270
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:				0	270
Increase (Decrease) in Cash and Investments		-15,215	1,544	0	5,296
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	100,081	9,706	0	25,829

The accompanying notes are an integral part of this Statement.

BARS Code		128 Hotel/Motel Tax Fund	129 Community Services	135 Public Facilities Improvements	137 Residual Settlement
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	161,552	517,220	180,272	28,276
38800/58800	Prior Period Adjustments, net	0	1,251	0	0
Operating Revenues					
310	Taxes	100,116	37,719	274,541	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	2,610,280	0	0
340	Charges for Goods and Services	0	277,241	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	0	1,477	0	759
Total Operating Revenues:		100,116	2,926,717	274,541	759
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	54,998	0	0	0
560	Social Services	0	3,004,518	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		54,998	3,004,518		
Net Operating Increase (Decrease):		45,118	-77,801	274,541	759
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	26,250	0	258,689	0
Total Nonoperating Expenditures:		26,250		258,689	
Increase (Decrease) in Cash and Investments		18,868	-77,801	15,852	759
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	180,420	440,670	196,124	29,034

The accompanying notes are an integral part of this Statement.

BARS Code		140 Affordable Housing	170 Trial Court Improvement	220 Bond Fund 2001	260 PW Planning Loan
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	101,628	77,527	13,017	37
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	21,596	0	0
340	Charges for Goods and Services	19,634	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	71	0	0	0
Total Operating Revenues:		19,704	21,596		
Operating Expenditures					
510	General Government	0	1,587	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	15,000	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		15,000	1,587		
Net Operating Increase (Decrease):		4,704	20,009	0	0
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	123,675	0
Total Nonoperating Revenues:				123,675	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	123,977	0
594-595	Capital Expenditures	0	2,869	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:			2,869	123,977	
Increase (Decrease) in Cash and Investments		4,704	17,140	-302	0
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	106,332	94,667	12,715	37

The accompanying notes are an integral part of this Statement.

BARS Code		330 Project Fund 2001	401 Sewer Fund	410 Regional Landfill	440 Aquatic Center
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	65,354	268,877	10,614,371	544,920
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	418,594
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	2,131,125	849
340	Charges for Goods and Services	0	0	2,186,287	345,829
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	0	0	61,159	110,060
Total Operating Revenues:				4,378,571	875,332
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	1,505,847	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	857,987
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:				1,505,847	857,987
Net Operating Increase (Decrease):		0	0	2,872,724	17,345
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	61,209	26,313
391-393	Debt Proceeds	0	0	0	3,606
397	Transfers-In	0	0	150,000	469,236
Total Nonoperating Revenues:				211,209	499,156
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	53,089	27,959
591-593	Debt Service	0	84,429	0	551,746
594-595	Capital Expenditures	0	0	2,089,213	45,621
597	Transfers-Out	0	0	150,000	0
Total Nonoperating Expenditures:			84,429	2,292,303	625,326
Increase (Decrease) in Cash and Investments		0	-84,429	791,631	-108,826
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	65,354	184,448	11,404,409	437,289

The accompanying notes are an integral part of this Statement.

BARS Code		460 Regional Stormwater	501 ER&R/Central Services
Beginning Cash and Investments			
30810	Beg Fund Bal-Reserved	0	0
30880	Beg Fund Bal-Unreserved	1,149,412	2,205,373
38800/58800	Prior Period Adjustments, net	0	0
Operating Revenues			
310	Taxes	0	0
320	Licenses & Permits	6,225	0
330	Intergovernmental Revenues	87,159	76,511
340	Charges for Goods and Services	686,923	90,922
350	Fines & Penalties	0	0
360	Miscellaneous Revenues	119,760	1,425,151
Total Operating Revenues:		900,067	1,592,584
Operating Expenditures			
510	General Government	0	365,058
520	Public Safety	0	26,259
530	Utilities	488,053	0
540	Transportation	8,512	715,811
550	Natural and Economic Environment	0	0
560	Social Services	0	0
570	Culture And Recreation	0	0
598	Intergovernmental Payments	0	0
Total Operating Expenditures:		496,565	1,107,129
Net Operating Increase (Decrease):		403,502	485,455
Nonoperating Revenues			
370, 380, 395, 398	Other Financing Sources	0	0
391-393	Debt Proceeds	0	0
397	Transfers-In	230,020	0
Total Nonoperating Revenues:		230,020	
Nonoperating Expenditures			
580, 596, 599	Other Financing Uses	0	0
591-593	Debt Service	0	0
594-595	Capital Expenditures	60,522	354,636
597	Transfers-Out	230,020	19,000
Total Nonoperating Expenditures:		290,542	373,636
Increase (Decrease) in Cash and Investments		342,980	111,819
Ending Cash and Investments			
50810	End Fund Bal-Reserved	0	0
50880	End Fund Balance-Unreserved	1,492,392	2,317,192

The accompanying notes are an integral part of this Statement.

BARS Code		135 Columbia County Public Health	137 Columbia County Park & Recreation	138 Planner's Special Assessment	139 Meth Clean Up
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	66,674	19,974	1,252	20,814
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	14,635	0	0	0
330	Intergovernmental Revenues	315,028	0	0	0
340	Charges for Goods and Services	16,319	58,090	67,530	0
350	Fines & Penalties	0	330	0	1,934
360	Miscellaneous Revenues	5,800	39,899	0	0
Total Operating Revenues:		351,782	98,319	67,530	1,934
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	544
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	11,462	0
560	Social Services	411,895	0	0	0
570	Culture And Recreation	0	206,654	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		411,895	206,654	11,462	544
Net Operating Increase (Decrease):		-60,113	-108,335	56,068	1,390
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	1,898	25,414	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	43,788	79,000	0	0
Total Nonoperating Revenues:		45,686	104,414		
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	778	12,260	0	0
591-593	Debt Service	0	0	0	0
594-595	Capital Expenditures	0	0	25,548	0
597	Transfers-Out	0	0	13,145	0
Total Nonoperating Expenditures:		778	12,260	38,693	
Increase (Decrease) in Cash and Investments		-15,205	-16,181	17,375	1,390
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	51,469	3,795	18,627	22,203

The accompanying notes are an integral part of this Statement.

BARS Code		140 Boating Safety	401 Solid Waste	501 Equipment Rental & Revolving	502 Risk Pool
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	20,735	5,687	701,005	29,620
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	5,633	73,911	0	0
340	Charges for Goods and Services	0	69,110	174,654	130,678
350	Fines & Penalties	0	531	0	0
360	Miscellaneous Revenues	0	1,268	947,307	22
Total Operating Revenues:		5,633	144,821	1,121,961	130,699
Operating Expenditures					
510	General Government	0	0	0	131,481
520	Public Safety	0	0	0	0
530	Utilities	0	191,320	0	0
540	Transportation	0	0	842,902	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:			191,320	842,902	131,481
Net Operating Increase (Decrease):		5,633	-46,500	279,059	-782
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	46,475	286	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	15,000	0	0
Total Nonoperating Revenues:			61,475	286	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	2,963	54,403	0
591-593	Debt Service	0	0	37,894	0
594-595	Capital Expenditures	0	0	293,839	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:			2,963	386,136	
Increase (Decrease) in Cash and Investments		5,633	12,012	-106,791	-782
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	26,368	17,699	594,215	28,837

The accompanying notes are an integral part of this Statement.

BARS Code		503 IT/Server Maintenance	504 Unemployment Compensation
Beginning Cash and Investments			
30810	Beg Fund Bal-Reserved	0	0
30880	Beg Fund Bal-Unreserved	25,900	349,468
38800/58800	Prior Period Adjustments, net	0	0
Operating Revenues			
310	Taxes	0	0
320	Licenses & Permits	0	0
330	Intergovernmental Revenues	0	0
340	Charges for Goods and Services	49,855	0
350	Fines & Penalties	0	0
360	Miscellaneous Revenues	46	273
Total Operating Revenues:		49,901	273
Operating Expenditures			
510	General Government	86,382	0
520	Public Safety	0	0
530	Utilities	0	0
540	Transportation	0	0
550	Natural and Economic Environment	0	0
560	Social Services	0	0
570	Culture And Recreation	0	0
598	Intergovernmental Payments	0	0
Total Operating Expenditures:		86,382	0
Net Operating Increase (Decrease):		-36,481	273
Nonoperating Revenues			
370, 380, 395, 398	Other Financing Sources	0	0
391-393	Debt Proceeds	0	0
397	Transfers-In	57,272	0
Total Nonoperating Revenues:		57,272	
Nonoperating Expenditures			
580, 596, 599	Other Financing Uses	0	0
591-593	Debt Service	0	0
594-595	Capital Expenditures	4,154	0
597	Transfers-Out	0	0
Total Nonoperating Expenditures:		4,154	
Increase (Decrease) in Cash and Investments		16,637	273
Ending Cash and Investments			
50810	End Fund Bal-Reserved	0	0
50880	End Fund Balance-Unreserved	42,536	349,741

The accompanying notes are an integral part of this Statement.

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds	629 Community Service Private Trust Funds	634 Law Library	680 Treasurer's Trust
308	Beginning Cash and Investments	51,741	10,076	26,874	291
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	32,902	0	8,843	0
380-390	Other Increases and Financing Sources	0	0	0	0
510-570	Expenditures	1,625	0	1,625	0
580-590	Other Decreases and Financing Uses	25,389	0	2,204	0
Increase (Decrease) in Cash and Investments		5,888	0	5,014	0
508	Ending Cash and Investments	58,888	11,335	31,888	291

BARS Code		681 Treasurer's Suspense	682 Advanced Taxes	683 Open Spaces
308	Beginning Cash and Investments	12,264	0	2,236
388 and 588	Prior Period Adjustments, net	0	0	0
310-360	Revenues	14,494	9,565	0
380-390	Other Increases and Financing Sources	0	0	0
510-570	Expenditures	0	0	0
580-590	Other Decreases and Financing Uses	23,185	0	0
Increase (Decrease) in Cash and Investments		-8,691	9,565	0
508	Ending Cash and Investments	3,573	9,565	2,236

The accompanying notes are an integral part of this Statement.

NOTES TO THE FINANCIAL STATEMENT YEAR ENDING DECEMBER 31, 2013 ASOTIN COUNTY, WASHINGTON

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

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

Asotin County was incorporated in 1883 and operates under the laws of the State of Washington applicable to a commissioner form of government. The county is a general purpose government and provides general government services, security of persons and property, utilities, transportation, economic environment, mental and physical health and culture and recreation. Asotin County uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

The County Commissioner's appoint the board members of the Asotin Housing Authority, but it is not a component unit of the County. There is no legal or financial interdependency. According to GASB Statement 14, Asotin County and the Asotin Housing Authority are related parties.

a. Fund Accounting

The accounts of Asotin County are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of singly-entry accounts that comprises its cash, investments, revenue, and expenditures, as appropriate. The county's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by Asotin County:

GOVERNMENTAL FUND TYPES:

General Fund (Current Expense)

General funds are numbered 000 - 099. The Current Expense fund in Asotin County (001) is the primary operating fund. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

Special Revenue funds are numbered 100 – 199. These funds account for and are reported specific revenue sources that are legally restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Debt Service Funds

Debt Service Funds are numbered 200 – 299. These funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Also reported in the debt service funds, are financial resources that are being accumulated to pay principal, interest, and related costs on general long-term debt.

Capital Project Funds

Capital project funds are numbered 300 – 399. These funds account for financial resources which are restricted, committed, or assigned for expenditure for capital outlays including the acquisition or construction of capital facilities or other general government capital projects.

PROPRIETARY FUND TYPES:

Enterprise Funds

Enterprise funds are numbered 400 – 499. These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds

Internal service funds are numbered 500 – 599. These funds account for operations that provide goods and services to other departments or funds of the county on a cost-reimbursement basis.

Asotin County reports the following major propriety funds:

Fund 401 – Sewer

Fund 410 – Regional Landfill

Fund 440 – Family Aquatic Center

Fund 460 – Stormwater

Fund 501 – Equipment Rental and Replacement (ER&R)

Fund 502 – Central Services

FIDUCIARY FUND TYPES:

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments. Asotin County reports one private purpose account for reporting purposes.

Agency Funds

Asotin County holds assets for others in an agency capacity. Agency fund accounts are numbered 631 – 699.

b. Basis Of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

c. Budgets

Annual appropriated budgets are adopted for all funds. Annual appropriated budgets are adopted at the fund level (except the general [current expense] fund, where budgets are adopted at the department level). The budgets constitute the legal authority for

expenditures at that level. The annual appropriations for all funds lapse at the end of the fiscal period.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund	Department	Final Appropriated Amount	Actual Expenditures	Variance
	Total General Fund			
001.000	Current Expense –Prior Year Correction		\$15	\$-15
001.100	County Agent	\$92,640	\$91,634	\$1,006
001.105	Animal Control	\$10,780	\$10,743	\$37
001.110	Assessor	\$261,796	\$252,879	\$8,917
001.120	Auditor	\$180,796	\$177,755	\$3,041
001.125	Civil Service	\$4,305	\$4,084	\$221
001.130	Clerk	\$199,150	\$197,354	\$1,796
001.140	Commissioners	\$234,135	\$234,555	\$-420
001.150	District Court	\$313,631	\$301,441	\$12,190
001.155	Elections	\$96,631	\$87,529	\$9,102
001.156	General Admin	\$339,000	\$319,427	\$19,573
001.160	Juvenile Services	\$364,148	\$330,933	\$33,215
001.170	Jail	\$1,206,477	\$1,163,789	\$42,688
001.180	Prosecutor	\$508,619	\$473,208	\$35,411
001.180.001	OSE	\$207,769	\$200,091	\$7,678
001.190	Sheriff	\$1,267,554	\$1,309,853	\$-42,299
001.200	Superior Court	\$401,601	\$392,455	\$9,146
001.210	Treasurer	\$194,660	\$184,982	\$9,678
001.220	Non-Departmental	\$644,468	\$613,079	\$31,389
001.225	Law and Justice	\$334,200	\$277,516	\$56,684
001.230	Voter Registration	\$1,700	\$1,239	\$461
	Total General Fund	\$6,864,060	\$6,624,561	\$239,499
101.000	County Road	\$5,548,453	\$4,297,032	\$1,251,421
102.000	Criminal Justice	\$325,000	\$325,000	\$0
103.000	Capital Improvement	\$100,000	\$5,627	\$94,373
104.000	County Fair	\$255,895	\$255,479	\$416
106.000	Law Library	\$15,500	\$3,829	\$11,671
107.000	Veteran's Relief	\$16,900	\$14,331	\$2,569
108.000	Alcoholism	\$388,404	\$265,463	\$122,941

109.000	Emergency Services	\$150,578	\$107,382	\$43,196
110.000	Auditor O&M	\$117,550	\$15,021	\$102,529
111.000	Election Reserve	\$40,050	\$18,582	\$21,468
112.000	Noxious Weed Control	\$117,920	\$111,878	\$6,042
113.000	Flood Control	\$173,000	\$5,513	\$167,487
114.000	Paths & Trails	\$9,000	\$1,875	\$7,125
115.000	DUI County	\$30,050	\$30,549	\$-499
117.000	Anatone Community Hall	\$5,899	\$5,000	\$899
118.000	Drug Seizure	\$22,350	\$20,373	\$1,977
119.000	Crime Victim Witness	\$24,200	\$23,303	\$897
122.000	Insurance Premium	\$608,000	\$488,975	\$119,025
123.000	Community Block Grant	\$56,400	\$42,424	\$13,976
124.000	Treasurer's O&M	\$4,600	\$4,502	\$98
125.000	Boating Safety	\$10,250	\$1,959	\$8,291
126.000	Building and Planning	\$166,881	\$163,283	\$3,598
127.000	Emergency Service Comm	\$210,442	\$129,620	\$80,822
128	Hotel/Motel Tax Fund	\$81,250	\$81,248	\$2
129.000	Community Service/DD	\$2,714,826	\$2,739,054	\$-24,228
131.000	Inmate Monitoring	\$34,650	\$8,669	\$25,981
135.000	Public Facilities Improvement	\$268,748	\$258,689	\$10,059
137.000	Residual Settlement	\$28,276	\$0	\$28,276
140.000	Affordable Housing	\$15,000	\$15,000	\$0
145.000	REET Technical	\$27,500	\$924	\$26,576
170.000	Trial Court Improvements	\$28,000	\$4,456	\$23,544
220.000	Bond Fund 2001	\$124,675	\$123,977	\$698
240.000	Aquatic Center Bond	\$422,130	\$420,432	\$1,698
245.000	Bond 2003-B	\$145,073	\$131,314	\$13,759
260.000	PW Planning Loan	\$0	\$0	\$0
330.000	Project Fund 2001	\$0	\$0	\$0
370.000	Bond 2003-B	\$75,000	\$45,621	\$29,379
401(203.000)	Sewer Fund	\$85,128	\$84,429	\$699
410.000	Regional Landfill	\$5,187,380	\$3,680,024	\$1,507,356
412.000	Landfill Closure	\$600	\$0	\$600
413	Landfill Post-closure	\$91,000	\$60,416	\$30,584
414.000	Waste Reduction	\$78,000	\$57,710	\$20,290
440	Aquatic Center	\$909,431	\$885,947	\$23,484
460	Stormwater	\$1,102,731	\$787,107	\$315,624
501.000	ER&R	\$1,259,334	\$1,134,234	\$125,100
502.000	Central Services	\$368,200	\$346,530	\$21,670
	TOTAL	\$21,444,254	\$17,202,781	\$4,241,473

The elected official, department head or CFO is authorized to transfer budgeted amounts between object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours or other conditions of employment must be approved by the county legislative body.

d. Cash

It is the county's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is posted to the Current Expense Fund unless special provisions require the fund to receive the investment interest.

e. Deposits

Asotin County's deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation (FDIC) and/or Washington Public Deposit Protection Commission.

f. Investments See Note 3.

g. Capital Assets

Capital assets are long-lived assets of the county and are recorded as expenditures when purchased.

h. Compensated Absences

Under the provisions of the Asotin County Personnel Policy vacation accrual shall not be greater than thirty (30) days by December 31st of each calendar year. Upon separation of employment, retirement, or death, up to a maximum of thirty (30) days shall be compensated for.

Sick leave has no limit for accumulation. During the month of the employee's anniversary date an employee may request to sell back the unused portion of their accumulated sick leave for the proceeding twelve months at twenty-five percent of the amount accrued. The maximum amount is six (6) days at twenty-five percent. A minimum of 240 hours remaining must be maintained after the buyback has occurred.

On separation by death or retirement an employee or his/her beneficiary shall be paid for all accumulated sick leave, not to exceed one thousand (1,000) hours at the rate of fifty percent (maximum of five hundred [500] hours pay), not to be used for calculating retirement benefits (other than PERS I).

i. Long Term Debt. See Note 5 Liabilities.

j. Other Financing Sources or Uses.

Asotin County's "Other Financing Sources or Uses" consist of operating transfers-in, operating transfers-out, disposition of capital assets, and intergovernmental disbursements.

k. Risk Management

Asotin County is a member of the Washington Rural Counties Insurance Pool. The coverage has a \$10,000 deductible per claim. Information about the pool can be obtained from Canfield and Associates at the following address:

Canfield & Associates Inc.
451 Diamond Drive
Ephrata, WA 98823

The county has elected to report only employee hours worked to the Employment Security Department, State of Washington who pays the unemployment benefits to the employee. Employment Security bills the county for the amount of benefits paid. Hours worked and salary information is reported to Employment Security Department.

l. Reserved Fund Balance.

All fund balances have been reviewed and determined to be unreserved, with the exception of the County Fair Building fund, which has been internally identified as restricted for the purpose of a new building.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.

All county funds ended 2013 with a positive cash balance, but actual expenditures exceeded approved budget appropriations for 4 department funds. Current practice is that Department Heads are monitoring their budgets and will notify the CFO to request amendments. The CFO also reviews accounting reports and tries to anticipate where amendments will be necessary. However, due to the timing of the County's payroll cycle and the necessary advertising time for a public hearing, the CFO has to rely on October/November accounting reports to prepare December amendments; without input from Department Heads, visibility into December expenditures is incredibly limited.

The Commissioner's Fund (001.140) exceeded expenditures by \$420 due to over-expenditures in transportation and supplies. Sheriff's Fund (001.190) exceeded expenditure's by \$42,299 due to overtime. DUI County Fund (115.000) exceeded expenditures by \$499 due to training. Commissioners, Sheriff, and DUI Funds are all reported under the General Fund for financial

reporting. And, Community Services Fund (129,000) exceeded expenditures by \$24,228 due to over-expenditures in salaries, wages, benefits, supplies and services. Alcoholism & Community Services funds are combined under one department for financial reporting. The combination of funds within the General Fund and Community Services department was within the appropriated budget at fund level, but exceeded the department level.

NOTE 3 – INVESTMENTS

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

Investments are presented at face value.

Investments by type at December 31, 2013 are as follows:

TYPE OF INVESTMENT	ASOTIN COUNTY	HELD BY COUNTY	TOTAL
L.G.I.P	\$8,757,433	\$5,361,951	\$14,119,384
Certificates of Deposit	\$300,000	\$1,128,133	\$1,428,133
Municipal Bonds	\$18,416,244	\$1,019,831	\$19,436,075
Total	\$27,473,677	\$7,509,915	\$34,983,592

NOTE 4 – PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the county. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The county's regular levy, after a levy shift of \$600,000 from the road department to current expense is as follows. For the year ending December 31, 2013 the levy amount was \$1.90872675 per \$1,000 on an assessed valuation of \$1,520,620,483 for a total regular levy of \$2,902,449.

The Mental Health levy for 2013 was \$0.02499769 per \$1,000 on an assessed valuation of \$1,520,620,483 for a total tax amount of \$38,012.

The Veterans Relief Levy for 2013 was \$0.01111651 per \$1,000 on an assessed valuation of \$1,520,620,483 for a total tax amount of \$16,904.

The Road Levy for 2013 was \$0.94475814 per thousand dollars on an assessed valuation of \$1,036,345,658 for a total tax amount of \$979,096.

The Flood District Levy for 2013 was \$0.18153017 per \$1,000 on an assessed valuation of \$1,036,345,658 for a total tax amount of \$188,128.

The Emergency Medical Services (EMS) levy for 2013 was \$0.49938197 per \$1000 of on assessed valuation of \$937,727,087 for revenues of \$468,284.

The levy rate for the Asotin County Family Aquatic Center was \$0.28458714 per \$1,000 on an assessed valuation of \$1,483,306,675 for a total tax amount of \$422,130.

NOTE 5 – LIABILITIES

The accompanying Schedule of Liabilities (09) provides information about the liabilities current and noncurrent to Asotin County. The schedule is a listing of the outstanding debt for the county and summarizes the county's debt transactions for 2013. The debt service requirements, including interest are as follows:

Year	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2013	\$758,700	\$0	\$208	\$758,908
2014	\$794,316	\$0	\$129,781	\$924,097
2015	\$810,481	\$0	\$113,587	\$924,068
2016	\$761,539	\$0	\$113,066	\$874,605
2017	\$782,879		\$112,545	\$895,424
2018 - 2022	\$4,279,798	\$0	\$554,909	\$4,834,707
2023 - 2027	\$4,931,505	\$0	\$541,883	\$5,473,388
2028- 2032	\$647,050	\$0	\$528,857	\$1,175,907
2033	\$130,000	\$0	\$0	\$130,000
Total	\$13,896,268	\$0	\$2,094,835	\$15,991,103

In 2009, the Board of County Commissioners and the Board of Public Utility District No. 1 approved a contract transferring the Sewer system from Asotin County to the PUD, effective January 1, 2010. As part of this transfer, the PUD assumed responsibility for the Sewer Revenue Debt, including a loan from the Department of Ecology and a loan for the Department of Commerce (formerly the Department of Community, Trade and Economic Development). The Sewer's General Obligation debt remains the responsibility of the County and is included above.

NOTE 6 – PENSION PLANS

Substantially all Asotin County full-time and qualified part-time employees participate in PERS plans 1, 2 & 3, PSERS, and LEOFF plan 2 administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the county's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

OTHER DISCLOSURES

In the Schedule of Long Term Liabilities (Schedule 9), landfill closure and post-closure costs are in 2013 dollars and assume a full build-out of the landfill, with closure costs beginning in 2033 and post-closure expenses beginning in 2034.

In the Schedule of Cash Activity (Schedule 11), the disbursements column includes Treasurer's checks per the instructions. However, this creates a difference on the Schedule of Disbursements (Schedule 07) for claims clearing which does not include Treasurer's checks.

Per Washington State Auditor's Office requirements, the following funds were consolidated for reporting purposes:

1. 440.000 (Aquatic Center), 440.200 (Aquatic Center Capital Improvements), 370.000 (Aquatic Center 2003B), 240.000 (GO Bond Aquatic Center), and 245.000 (Bond Fund 2003B)
2. 401.000 (Sewer Fund) and 203.000 (GO Refund 88/95)
3. 128.000 (Hotel/Motel Tax Fund) and 128.001 (Hotel/Motel Tax Fund – Stadium)
4. 410.000 (Landfill) 412.000 (Landfill Closure) 413.000 (Landfill Post-Closure) 413.001 (Old Landfill Post-Closure), and 414.000 (Waste Reduction)
5. 001.000 (Current Expense), 102.000 (Criminal Justice), 111.000 (Election Reserve), 115.000 (DUI County), 118.000 (Drug Seizure), 119.000 (Crime Victim Witness), 122.000 (Insurance Premium), 124.000 (Treasurer's O&M), 126.000 (Building & Planning), 127.000 (Emergency Services Comm.), 131.000 (Inmate Monitoring), 134.000 (Public Transportation Reserve), 145.000 (REET Technical)
6. 129.000 (Community Services), 108.000 (Alcoholism)
7. 104.000 (County Fair), 105.000 (County Fair Building)
8. 101.000 (County Road), 113.000 (Flood Control District), 114.000 (Paths & Trails)

9. 501.000 (ER&R), 502.000 (Central Services)
10. 460.000 (Regional Stormwater), 460.001 (Asotin Co. Capital), 460.002 (Asotin City Capital), 460.003 (Clarkston Capital), 460.004 (Stormwater ER&R)

The County refunded the Aquatic Center Limited Tax General Obligation Refunding Bonds 2003B in the principal amount of \$1,925,000 issued on February 5, 2013. Refinancing was completed to lower interest rates, and achieve reductions in annual debt service over the life of the debt.

On July 15, 2013 the Board of County Commissioner's passed Resolution #13-25 creating a Public Facilities District for Asotin County pursuant to RCW36.36.100. The Public Facilities District proposed to the voters of the County an additional sales and use tax at the rate up to two-tenths of one percent. Proposition Two(2) was passed on the November 5th, 2013 General Election, authorizing a two tenths of one percent (.02%) sales tax to fund the Public Facilities District. In 2014 Resolution #14-03 was passed to create Fund 664.000 Asotin County Public Facilities District.

The Landfill started construction on Cell D in 2013 through a Public Works Trust Fund loan (PWTF). The loan amount requested in 2013 totaled \$1,941,044 (see Schedule 09). In 2014 the County requested additional funding of \$56,456, which resulted in a total loan amount in 2014 of \$1,997,500.00

During the County Audit for fiscal year 2012 it was brought to our attention that the County should be filing a separate statement for Law Library, as a special purpose district agency. For fiscal year ended 2013 I have reported the Law Library as Fund 634.000 However, our accounting transactions were under fund 106.000 for 2013. In 2014 Resolution #14-21 was passed creating Fund #634.000 Asotin County Law Library.

Statement C-5 has Fund #629.000 reported for Community Services Private Trust Funds. Per a requirement from Department of Social & Health Services, Community Services accounts for individual bank accounts as is designated as a payee under the County Tax ID.

Schedule of Liabilities
For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	251.19	Sewer Bond (203.000)	5/1/2015	235,000	0	75,000	160,000
	251.11	Courthouse Bond (220.000)	12/1/2021	995,000	0	95,000	900,000
	251.12	Aquatic Center 1 (240.000)	12/1/2027	6,895,000	0	140,000	6,755,000
	251.11	Aquatic Center 1 (245.000) Refunded	12/1/2033	1,900,000	80,000	85,000	1,895,000
	259.11	Compensated Absences (Non-Enterprise Funds)		342,486	24,712		367,198
Total General Obligations:				10,367,486	104,712	395,000	10,077,198
Revenue Obligations							
	259.12	Compensated Absences (Enterprise Funds)		53,989		1,289	52,700
	263.22	Landfill Closure & Post- Closure		14,590,222	213,711		14,803,933
	263.82	Public Works Trust Fund Loan #PC13-961-016	6/1/2032	0	1,941,044		1,941,044
Total Revenue Obligations:				14,644,211	2,154,755	1,289	16,797,677
Total Liabilities:				25,011,697	2,259,467	396,289	26,874,875

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Forest Service, Department Of Agriculture/Forest Service	Schools and Roads - Grants to States	10.665	NA	37,260		37,260	
Office Of Community Planning And Development, Department Of Housing And Urban Development/Dept of Commerce	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	12-65400-001 & 13-65400-001	53,327		53,327	
Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice/Dept of Social & Health Services	Juvenile Accountability Block Grants	16.523	0663-98123	4,448		4,448	
Violence Against Women Office, Department Of Justice/Dept of Commerce	Violence Against Women Formula Grants	16.588	F12-31103-004	12,655		12,655	
Federal Aviation Administration (faa), Department Of Transportation/WA Dept of Transportation	Airport Improvement Program	20.106	CRP 246	1,221		1,221	3c
Federal Highway Administration (fhwa), Department Of Transportation/WA Dept of Transportation	Highway Planning and Construction	20.205	CRP 253	18,003		18,003	3d
Federal Highway Administration (fhwa), Department Of Transportation/WA Dept of Transportation	Highway Planning and Construction	20.205	CRP 239	25,520		25,520	3e
Federal Highway Administration (fhwa), Department Of Transportation/WA Dept of Transportation	Highway Planning and Construction	20.205	CRP 254	248,737		248,737	3f
Federal Highway Administration (fhwa), Department Of Transportation/WA Dept of Transportation	Highway Planning and Construction	20.205	CRP 238	934,585		934,585	3g
Total CFDA 20.205					0	1,226,845	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Administration For Children And Families, Department Of Health And Human Services/Dept of Social & Health Services	Child Support Enforcement	93.563	2110-80336	114,750		114,750	3a
Administration For Children And Families, Department Of Health And Human Services/Dept of Social & Health Services	Child Support Enforcement	93.563	2110-80336	30,744		30,744	3b
Total CFDA 93.563					0	145,494	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services/Dept of Social & Health Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27287	49,047		49,047	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services/Dept of Social & Health Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27287	61,103		61,103	
Total CFDA 93.959					0	110,150	
Department Of Homeland Security/WA State Parks & Recreation Commission	Boating Safety Financial Assistance	97.012	NA	7,594		7,594	
Department Of Homeland Security/Department of Emergency Management	Homeland Security Grant Program	97.067	E12-173 SDEM-1112	680		680	
Department Of Homeland Security/Department of Emergency Management	Homeland Security Grant Program	97.067	E13-139 SDEM-1212	12,665		12,665	
Department Of Homeland Security/WA Military Department	Homeland Security Grant Program	97.067	E13-171	11,634		11,634	
Total CFDA 97.067					0	24,979	
Total Federal Awards Expended:				1,623,973	0	1,623,973	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

ASOTIN COUNTY, WASHINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

NOTE 1 – BASIS OF ACCOUNTING

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

NOTE 2 – PROGRAM COSTS

The amounts shown as current year expenditures represent only federal grant portions of program cost. Entire program costs, including the county's portion, may be more than shown.

NOTE 3 – INDIRECT COSTS

- a) The amount expended includes \$11,547 claimed as an indirect cost recovery using an approved cost rate of 18 percent.
- b) The amount expended includes \$3,196 claimed as an indirect cost recovery using an approved cost rate of 18 percent.
- c) The amount expended includes \$186 claimed as an indirect cost recovery using an approved cost rate of 18 percent.
- d) The amount expended includes \$385 claimed as an indirect cost recovery using an approved cost rate of 18 percent.
- e) The amount expended includes \$139 claimed as an indirect cost recovery using an approved cost rate of 18 percent.
- f) The amount expended includes \$7,687 claimed as an indirect cost recovery using an approved cost rate of 18 percent.
- g) The amount expended includes \$5,688 claimed as an indirect cost recovery using an approved cost rate of 18 percent.

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov