



Washington State Auditor's Office

Government that works for citizens

Financial Statements and Federal Single Audit Report

Klickitat County

For the period January 1, 2015 through December 31, 2015

Published August 25, 2016

Report No. 1017304





Washington State Auditor's Office

August 25, 2016

Board of Commissioners
Klickitat County
Goldendale, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Klickitat 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
OLYMPIA, WA

TABLE OF CONTENTS

Schedule Of Findings And Questioned Costs.....	4
Summary Schedule Of Prior Audit Findings	6
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	7
Independent Auditor’s Report On Compliance For Each Major Federal Program And Report On Internal Control Over Compliance In Accordance With The Uniform Guidance	10
Independent Auditor’s Report On Financial Statements	13
Financial Section.....	16
About The State Auditor’s Office.....	50

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Klickitat County January 1, 2015 through December 31, 2015

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Klickitat County 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 County’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation of all funds with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than 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 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 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>CFDA No.</u>	<u>Program or Cluster Title</u>
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
20.509	Formula Grants for Rural Areas

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

The County 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

Klickitat County January 1, 2015 through December 31, 2015

This schedule presents the status of federal findings reported in prior audit periods. The status listed below is the representation of Klickitat County. The State Auditor's Office has reviewed the status as presented by the County.

Audit Period: 1/1/2014-12/31/2014	Report Ref. No: 1015195	Finding Ref. No: 2014-001	CFDA Number(s): 20.205
Federal Program Name and Granting Agency: U.S. Department of Transportation Federal Highway Administration		Pass-Through Agency Name: Department of Transportation	
Finding Caption: The County did not comply with allowable cost requirements for its Highway Planning and Construction grant, resulting in questioned costs of \$16,638.			
Background: The total grant consisted of nine projects approved by Washington State Department of Transportation (WSDOT). The County had an established process to track federally funded project expenses by account code but their review process was not effective to detect all coding errors as the audit identified one invoice that was coded to a federally funded project erroneously. The one invoice which was incorrectly coded led to questioned costs of \$16,638.			
Status of Corrective Action: (check one) <input checked="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>A check was sent to WSDOT to refund the amount we were over reimbursed. Prior to submitting reimbursement requests an engineer reviews the project charges.</i>			

**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**

**Klickitat County
January 1, 2015 through December 31, 2015**

Board of Commissioners
Klickitat County
Goldendale, 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 Klickitat County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated August 16, 2016.

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 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.

In addition, we noted certain matters that we have reported to the management of the County in a separate letter dated August 16, 2016.

COMPLIANCE AND OTHER MATTERS

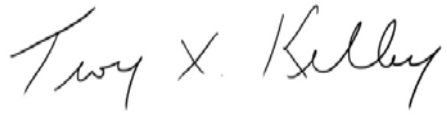
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive, flowing style.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

August 16, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

**Klickitat County
January 1, 2015 through December 31, 2015**

Board of Commissioners
Klickitat County
Goldendale, Washington

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM**

We have audited the compliance of Klickitat County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2015. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 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). Those standards and the Uniform Guidance 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, 2015.

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 the Uniform Guidance, 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.

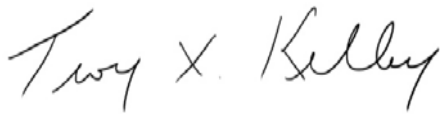
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 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.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive, flowing style.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

August 16, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Klickitat County **January 1, 2015 through December 31, 2015**

Board of Commissioners
Klickitat County
Goldendale, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Klickitat County, Washington, for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 16.

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, Klickitat County has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by 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 Klickitat County, for the year ended December 31, 2015, 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 Klickitat County, as of December 31, 2015, 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.

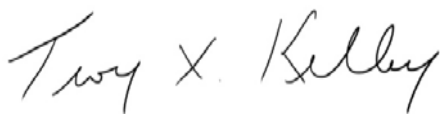
Other Matters

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 Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 August 16, 2016 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.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

August 16, 2016

FINANCIAL SECTION

Klickitat County January 1, 2015 through December 31, 2015

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2015
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2015
Notes to Financial Statements – 2015

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2015
Schedule of Expenditures of Federal Awards – 2015
Notes to the Schedule of Expenditures of Federal Awards – 2015

Klickitat County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		Total for All Funds (Memo Only)	001 GENERAL FUND	101 ROADS
Beginning Cash and Investments				
30810	Reserved	14,917,449	11,999,516	-
30880	Unreserved	11,927,880	5,131,521	2,178,090
388 & 588	Prior Period Adjustments, Net	(156,849)	(38,001)	-
Operating Revenues				
310	Taxes	11,159,133	5,749,572	4,419,448
320	Licenses and Permits	450,348	306,357	2,200
330	Intergovernmental Revenues	9,397,077	2,181,578	4,447,886
340	Charges for Goods and Services	16,214,786	6,555,171	1,009,248
350	Fines and Penalties	780,211	661,069	107,350
360	Miscellaneous Revenues	2,387,472	355,964	24,440
Total Operating Revenues:		40,389,027	15,809,712	10,010,572
Operating Expenditures				
510	General Government	6,350,280	5,674,190	12,933
520	Public Safety	6,787,408	5,508,076	-
530	Utilities	1,209,304	705,429	-
540	Transportation	9,322,201	65,000	6,009,314
550	Natural and Economic Environment	2,478,459	1,658,894	-
560	Social Services	3,428,918	49,342	-
570	Culture and Recreation	540,621	540,621	-
598	Miscellaneous Expenses	-	-	-
Total Operating Expenditures:		30,117,191	14,201,552	6,022,247
Net Operating Increase (Decrease):		10,271,836	1,608,160	3,988,325
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	693,986	82,309	559,710
391-393	Debt Proceeds	-	-	-
397	Transfers-In	978,183	160,000	-
Total Nonoperating Revenues:		1,672,169	242,309	559,710
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	500,477	265	-
591-593	Debt Service	800,181	-	14,277
594-595	Capital Expenditures	6,950,519	22,591	5,567,497
597	Transfers-Out	978,182	711,512	-
Total Nonoperating Expenditures:		9,229,360	734,367	5,581,774
Net Increase (Decrease) in Cash and Investments:		2,714,646	1,116,101	(1,033,739)
Ending Cash and Investments				
5081000	Reserved	17,478,595	12,845,728	-
5088000	Unreserved	11,924,530	5,363,409	1,144,351
Total Ending Cash and Investments		29,403,125	18,209,137	1,144,351

The accompanying notes are an integral part of this statement.

104 SENIOR SERVICES	107 E911	108 MARINE	110 VETERANS RELIEF	111 ELECTION RESERVE	113 TREASURER'S O & M
45,687	453,596	36,290	58,836	167,900	54,417
-	-	-	-	3,004	-
-	-	-	-	-	-
-	179,980	-	40,027	64,958	-
-	-	-	-	-	-
631,673	438,729	11,426	-	79	-
1,113,272	-	-	-	15,209	13,155
-	-	-	-	-	-
90,432	120	-	-	-	-
1,835,377	618,829	11,426	40,027	80,246	13,155
-	-	-	-	154,262	9,537
-	654,488	15,554	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,850,636	-	-	39,949	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,850,636	654,488	15,554	39,949	154,262	9,537
(15,259)	(35,659)	(4,128)	78	(74,016)	3,618
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,168	-	-	-	-	-
4,168	-	-	-	-	-
(19,427)	(35,659)	(4,128)	78	(74,016)	3,618
26,261	417,937	32,162	58,914	93,885	58,035
-	-	-	-	3,004	-
26,261	417,937	32,162	58,914	96,889	58,035

The accompanying notes are an integral part of this statement.

114 LAW LIBRARY	115 VICTIM/WITNESS	117 WEED CONTROL	118 AUDITOR'S O & M	119 ECONOMIC DEVELOPMENT	123 TOURISM
14,608	-	96,644	349,715	82,241	19,721
7,000	(677)	50,000	-	28,500	-
-	-	-	6,475	-	38,001
-	-	-	-	-	65,077
-	-	-	-	-	-
-	48,751	4,444	42,869	37,172	-
5,946	35,878	77,561	14,975	255,901	-
-	852	-	-	-	-
-	-	104,918	26	2,607	-
5,946	85,482	186,923	57,869	295,681	65,077
-	69,886	-	33,878	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	169,583	-	198,950	46,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	69,886	169,583	33,878	198,950	46,500
5,946	15,596	17,340	23,991	96,731	18,577
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	26,786	-
-	-	-	-	26,786	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	11,776	-
-	-	-	-	11,776	-
5,946	15,596	17,340	23,991	111,741	18,577
20,554	-	113,984	380,181	167,196	76,299
7,000	14,918	50,000	-	55,286	-
27,554	14,918	163,984	380,181	222,482	76,299

The accompanying notes are an integral part of this statement.

124 INVESTIGATIONS	127 EMERGENCY MANAGEMENT	132 NATURAL RESOURCES	133 AFFORDABLE HOUSING	134 TRIAL COURT IMPROVEMENT	135 COMMUNICATIO NS
164,996	-	-	147,397	132,160	-
-	(1,136)	114,233	-	-	(11,366)
-	-	-	(12,820)	-	-
-	-	-	-	-	148,418
-	-	-	-	-	-
-	57,609	279,326	-	28,171	-
75	16,800	-	26,199	-	270,000
10,940	-	-	-	-	-
-	-	-	40	-	20,190
11,015	74,409	279,326	26,239	28,171	438,608
-	-	-	-	1,421	-
11,123	59,695	-	-	-	538,473
-	-	-	-	-	-
-	-	-	-	-	-
-	-	404,533	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,123	59,695	404,533	-	1,421	538,473
(108)	14,714	(125,207)	26,239	26,750	(99,865)
-	-	-	-	-	-
-	-	-	-	-	-
-	50,000	136,000	-	-	277,575
-	50,000	136,000	-	-	277,575
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,598	-	-
-	6,466	5,261	-	-	50,000
-	6,466	5,261	3,598	-	50,000
(108)	58,248	5,532	22,641	26,750	127,710
164,888	-	-	157,218	158,910	-
-	57,113	119,765	-	-	116,344
164,888	57,113	119,765	157,218	158,910	116,344

The accompanying notes are an integral part of this statement.

137 PUBLIC HEALTH	140 SOLID WASTE	142 REET ELECTRONIC TECH	143 WINDFARM SALES TAX EXEMPTIONS	144 FAIR IMPROVEMENTS	201 LTD GO BOND
84,649	45,000	57,082	182,495	-	-
-	30,805	-	-	-	-
(16,308)	-	-	(136,871)	-	-
41,808	-	-	10,529	-	-
141,791	-	-	-	-	-
743,593	111,870	9,330	-	-	-
503,964	183,548	-	-	-	193,860
-	-	-	-	-	-
4,056	-	-	-	1,560,890	-
1,435,212	295,419	9,330	10,529	1,560,890	193,860
-	-	377	-	-	-
-	-	-	-	-	-
-	232,875	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,488,991	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,488,991	232,875	377	-	-	-
(53,779)	62,544	8,953	10,529	1,560,890	193,860
-	-	-	-	-	33,375
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	33,375
-	213	-	-	-	-
-	-	-	-	-	227,235
-	-	-	6,572	-	-
11,089	17,911	-	-	-	-
11,089	18,124	-	6,572	-	227,235
(64,868)	44,420	8,953	3,957	1,560,890	-
3,473	45,000	66,035	49,581	1,560,890	-
-	75,225	-	-	-	-
3,473	120,225	66,035	49,581	1,560,890	-

The accompanying notes are an integral part of this statement.

303 CAPITAL IMPROVEMENT	305 CGR AIRPORT CAP IMPROVEMENTS	306 CAP IMP - RADIO SYSTEM	DALLESFORT WASTEWATER SYSTEM	501 INSURANCE CLAIMS - HRA	502 VEHICLE RENTAL & REPLACEMENT
724,499	-	-	-	-	-
78,748	67,163	252,764	980,902	1,763	1,082,768
-	-	-	2,676	-	-
439,316	-	-	-	-	-
-	-	-	-	-	-
118,000	100,000	29,370	-	-	-
-	-	-	858,305	-	-
-	-	-	-	-	-
22	-	-	4,272	7,207	1,280
557,338	100,000	29,370	862,577	7,207	1,280
-	-	-	-	1,049	-
-	-	-	-	-	-
-	-	-	271,000	-	-
-	-	-	-	-	4,496
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	271,000	1,049	4,496
557,338	100,000	29,370	591,577	6,158	(3,216)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	32,000	278,459
-	-	-	-	32,000	278,459
-	-	-	-	-	-
-	-	-	558,669	-	-
300,373	-	159,392	-	-	394,229
-	160,000	-	-	-	-
300,373	160,000	159,392	558,669	-	394,229
256,965	(60,000)	(130,022)	32,908	38,158	(118,986)
981,464	-	-	-	-	-
78,748	7,163	122,742	1,016,486	39,921	963,782
1,060,212	7,163	122,742	1,016,486	39,921	963,782

The accompanying notes are an integral part of this statement.

504 EQUIPMENT RENTAL & REVOLVING	VEHICLE RENTAL/REPLAC EMENT	INFORMATION SERV RENTAL/REPLAC
-	-	-
1,687,097	72,250	174,451
-	-	-
-	-	-
-	-	-
-	75,200	-
4,550,375	-	515,343
-	-	-
188,838	-	22,171
4,739,212	75,200	537,514
-	-	392,747
-	-	-
-	-	-
3,243,392	-	-
-	-	-
-	-	-
-	-	-
3,243,392	-	392,747
1,495,820	75,200	144,767
18,593	-	-
-	-	-
-	4,168	13,195
18,593	4,168	13,195
500,000	-	-
-	-	-
171,938	108,341	215,989
-	-	-
671,938	108,341	215,989
842,475	(28,973)	(58,027)
-	-	-
2,529,572	43,277	116,424
2,529,572	43,277	116,424

The accompanying notes are an integral part of this statement.

Klickitat County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		Total for All Funds (Memo Only)	624 DOL AGENCY	625 SHERIFF INMATE TRUST	626 WINDFARM AGENCY
308	Beginning Cash and Investments	779,324	-	-	-
388 & 588	Prior Period Adjustments, Net	159,063	19,406	2,786	136,871
310-360	Revenues	10,128,869	-	-	-
380-390	Other Increases and Financing Sources	4,819,635	2,730,137	87,447	11,871
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	14,833,963	2,739,896	87,324	-
Net Increase (Decrease) in Cash and Investments:		114,541	(9,759)	123	11,871
508	Ending Cash and Investments	1,052,928	9,647	2,909	148,742

		631 COURT TRUST	632 TREASURER TRUST	634 REAL ESTATE TAX SALE TRUST	639 STATE SCHOOL
308	Beginning Cash and Investments	75,127	198,400	3,080	87,612
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	-	-	-	7,911,889
380-390	Other Increases and Financing Sources	1,159,804	137,029	12,920	88,610
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	1,174,759	79,603	3,608	8,039,880
Net Increase (Decrease) in Cash and Investments:		(14,955)	57,426	9,312	(39,381)
508	Ending Cash and Investments	60,172	255,826	12,392	48,231

		640 FIRE PATROL	644 COUNTY TIMBER TAX RESERVE	646 STATE GENERAL	647 COUNTY HUMAN SERVICE TAX
308	Beginning Cash and Investments	2,195	191,388	52,406	14,991
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	249,304	-	1,859,983	-
380-390	Other Increases and Financing Sources	-	-	222,253	87,402
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	250,372	-	2,066,512	86,001
Net Increase (Decrease) in Cash and Investments:		(1,068)	-	15,724	1,401
508	Ending Cash and Investments	1,127	191,388	68,130	16,392

The accompanying notes are an integral part of this statement.

Klickitat County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		649 PSEA	663 FAMILY SERVICE NETWORK
308	Beginning Cash and Investments	20,685	133,440
388 & 588	Prior Period Adjustments, Net	-	-
310-360	Revenues	-	107,694
380-390	Other Increases and Financing Sources	259,507	22,654
510-570	Expenditures	-	-
580-590	Other Decreases and Financing Uses	257,456	48,552
Net Increase (Decrease) in Cash and Investments:		2,051	81,796
508	Ending Cash and Investments	22,736	215,236

The accompanying notes are an integral part of this statement.

Klickitat County
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Note 1 – Summary of Significant Accounting Policies

The County of Klickitat was established by the Territorial Legislature on December 20, 1859 as a statute county, which means that the organization of the County is prescribed by state statute. Locally elected officials include the County Assessor, Auditor, Clerk, Prosecuting Attorney, Sheriff, Treasurer, one Superior Court Judge, two District Court Judges, and the three-member Board of County Commissioners. These elected officials govern the County and establish policies on the basis of the local community's needs and preferences and provide the following services to its constituents: public safety, road maintenance, solid waste management, planning and zoning, parks and recreation, judicial administration, health, social services, and general administrative services.

Klickitat County (County) reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

Excluded from the reporting entity:

Various School Districts, Drainage Districts, Park & Recreation Districts, Fire Protection Districts, Irrigation Districts, Cities and Towns, Public Utility District, Port District, Cemetery Districts, Library Districts, and Hospital Districts. Each of these entities represents a separate political subdivision with elected representation and individual taxing powers. Klickitat County does not significantly contribute to or control the operations of these districts.

A. Fund Accounting

The accounts of the 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 single-entry accounts that comprises its cash, investments, revenues 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 the County:

Klickitat County
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

This fund is the primary operating fund of the County. It accounts for all financial resources except those required or elected to be accounted for in another fund.

The current expense fund includes the following eight managerial funds. Managerial funds are funds which do not have restricted or committed revenue sources. The interfund activity between the current expense fund and the managerial funds is eliminated from the financial statements. The following funds were consolidated with the current expense fund.

103 – GIS
112 – Flood
116 – Fair
125 – Cumulative Reserve
131 – Community Development Block Grant
136 – Indigent Defense
139 – Landfill Gas

Special Revenue Funds

These funds account for specific revenue sources that are legally restricted or committed to expenditures for specified purposes of the County.

Capital Project Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the County on a cost-reimbursement basis.

Klickitat County
Notes to the Financial Statements
December 31, 2015

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others.

Agency Funds

These funds are used to account for assets that the County holds for others in an agency capacity.

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.

In accordance with state law the County also recognizes expenditures paid during thirty days after the close of the fiscal year for claims incurred during the previous period.

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

The County adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level (except the general (current expense) fund, where budget is adopted at the department level). The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the accrual basis of accounting, while financial statements are reported on the cash basis. Several funds, including public works and ER&R, account for their activity on an accrual basis during the year, then convert to a cash basis for financial statement reporting; budgeting on the accrual basis allows budget variances to be more easily recognized for these funds. As a result, the expenditures in the disclosure below, do not match the expenditures in the Fund Resources and Uses Arising from Cash Transactions.

Budgets are appropriated at the fund level as reported on the financial statements except for the current expense fund, which for financial reporting contains eight managerial funds. These funds are budgeted separately.

Klickitat County
Notes to the Financial Statements
December 31, 2015

Budget amounts are authorized to be transferred between departments within any fund; 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's legislative body.

The final appropriated and actual expenditures for legally adopted budgets were as follows:

Klickitat County
Notes to the Financial Statements
December 31, 2015

Fund #	Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
001	CE/Adult Probation	\$ 224,824	\$ 212,552	\$ 12,272
001	CE/Assessor	\$ 581,777	\$ 547,025	\$ 34,752
001	CE/Auditor	\$ 551,584	\$ 512,854	\$ 38,731
001	CE/Auditor's Non-Departmental	\$ 81,095	\$ 76,787	\$ 4,308
001	CE/Board of Equalization	\$ 9,020	\$ 1,464	\$ 7,556
001	CE/Budget & Technical Services	\$ 326,998	\$ 316,529	\$ 10,469
001	CE/Building Inspection	\$ 488,008	\$ 445,098	\$ 42,910
001	CE/Building & Grounds	\$ 1,427,998	\$ 1,296,449	\$ 131,549
001	CE/Civil Service Commission	\$ 8,250	\$ 5,460	\$ 2,790
001	CE/Clerk	\$ 356,460	\$ 351,367	\$ 5,093
001	CE/Commissioners	\$ 409,351	\$ 401,568	\$ 7,783
001	CE/East District Court	\$ 374,815	\$ 360,659	\$ 14,156
001	CE/Historic Preservation	\$ 5,250	\$ 5,250	\$ 0
001	CE/Juvenile	\$ 831,950	\$ 776,309	\$ 55,641
001	CE/LEOFF Disability Board	\$ 1,105	\$ 1,026	\$ 79
001	CE/Non-Departmental	\$ 461,611	\$ 414,584	\$ 47,027
001	CE/Personnel	\$ 211,296	\$ 206,638	\$ 4,658
001	CE/Planning	\$ 532,361	\$ 529,660	\$ 2,701
001	CE/Prosecuting Attorney	\$ 768,403	\$ 690,349	\$ 78,054
001	CE/Public Defense	\$ 245,000	\$ 241,159	\$ 3,841
001	CE/Sheriff	\$ 4,202,168	\$ 4,174,652	\$ 27,516
001	CE/Superior Court	\$ 284,834	\$ 262,182	\$ 22,652
001	CE/Treasurer	\$ 431,421	\$ 393,466	\$ 37,955
001	CE/West District Court	\$ 289,411	\$ 278,720	\$ 10,691
001	CE/WSU Extension	\$ 168,459	\$ 132,153	\$ 36,306
Total General Fund		\$ 13,273,449	\$ 12,633,960	\$ 639,489

Klickitat County
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

Fund #	Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
101	Road	\$ 14,240,275	\$ 11,813,820	\$ 2,426,455
103	GIS*	\$ 54,600	\$ 29,387	\$ 25,213
104	Senior Services	\$ 1,804,171	\$ 1,855,332	\$ (51,161)
107	Enhanced 9-1-1	\$ 777,500	\$ 655,630	\$ 121,870
108	Marine	\$ 15,970	\$ 15,554	\$ 416
110	Veterans Relief	\$ 46,500	\$ 39,949	\$ 6,551
111	Election Reserve	\$ 170,751	\$ 154,257	\$ 16,494
113	Treasurer's O&M	\$ 30,000	\$ 9,537	\$ 20,463
114	Law Library	\$ 3,000		\$ 3,000
115	Victim/Witness	\$ 80,176	\$ 69,887	\$ 10,289
116	County Fair*	\$ 156,400	\$ 152,314	\$ 4,086
117	Weed Control	\$ 199,060	\$ 169,582	\$ 29,478
118	Auditor's O&M	\$ 52,954	\$ 43,657	\$ 9,297
119	Economic Development	\$ 317,226	\$ 209,600	\$ 107,626
123	Tourism	\$ 53,500	\$ 39,500	\$ 14,000
124	Investigations	\$ 37,150	\$ 11,124	\$ 26,026
125	Cumulative Reserve*	\$ 934,209	\$ 783,418	\$ 150,791
127	Emergency Management	\$ 101,269	\$ 66,147	\$ 35,122
131	CDBG (Comm Dev Block Grant)*	\$ 2,703,133	\$ 1,130,473	\$ 1,572,660
132	Natural Resources	\$ 463,611	\$ 407,786	\$ 55,825
133	Affordable Housing	\$ 136,514	\$ 16,418	\$ 120,096
134	Trial Court Improvements	\$ 40,000	\$ 1,421	\$ 38,579
135	Communications	\$ 666,575	\$ 589,659	\$ 76,916
136	Indigent Defense Services*	\$ 20,000	\$ 16,621	\$ 3,379
137	Public Health	\$ 1,519,992	\$ 1,516,388	\$ 3,604
139	Landfill Gas Improvements*	\$ 748,124	\$ 705,428	\$ 42,696
142	REET Electronic Technology	\$ 20,000	\$ 377	\$ 19,623
143	Windfarm Sales Tax Exemption	\$ 30,000	\$ 26,286	\$ 3,714
201	LTD GO Bond	\$ 193,860	\$ 227,235	\$ (33,375)
303	Capital Improvement	\$ 793,500	\$ 297,268	\$ 496,232
305	Airport CERB	\$ 400,000	\$ 160,000	\$ 240,000
306	Capital Imp: Radio System	\$ 281,000	\$ 149,318	\$ 131,682
401	Dallesport Wastewater Facility	\$ 1,324,271	\$ 640,033	\$ 684,238
140	Solid Waste	\$ 298,211	\$ 250,999	\$ 47,212
501	Insurance Claims	\$ 32,000	\$ 1,048	\$ 30,952
502	Commissioners Vehicle R&R	\$ 461,547	\$ 398,873	\$ 62,674
504	Road ER&R	\$ 6,337,700	\$ 4,624,428	\$ 1,713,272
505	Senior's Vehicle R&R	\$ 140,000	\$ 108,340	\$ 31,660
506	Information Service R&R	\$ 634,746	\$ 608,736	\$ 26,010

* Managerial Funds are reported in the financial statements with the current expense Fund

Klickitat County
Notes to the Financial Statements
December 31, 2015

D. Cash and Investments (See Note 3)

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Capital assets are long-lived assets of the County and are recorded as expenditures when purchased.

F. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave.

County employees receive vacation leave monthly at rates established by county policy or union contract. Vacation leave maximum accumulations and the amount payable upon separation or retirement vary by length of service, pay plan policy and/or bargaining unit.

Sick leave is accrued and paid out on a prorated basis based upon length of service, pay plan policy, and/or bargaining unit provisions.

All payments are based upon current wages at termination.

Payments are recognized as expenditures when paid.

Compensated absences payable at December 31, 2015 of \$587,532 is included in Schedule 09.

I. Long-Term Debt – See note 6

J. Other Financing Sources or Uses

The County's "Other Financing Sources and Uses" consists of Transfers In/Out, proceeds from sale of fixed assets, debt service, and Intergovernmental Agreements/Subsidies.

K. Reserved Cash Balance

Cash balances are displayed as reserved when the use of the cash is reserved by internal or external requirements. Internal requirements are stated by resolution or ordinance. When expenditures that meet restrictions are incurred, the County intends to use reserved resources first before using unreserved amounts.

Klickitat County
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

These reserve balances are to be used for the following functions:

Fund/Name	Total Reserved	Purpose
001 General Fund	\$12,845,728	Various funds; Grants, RCW & Resolutions
104 Senior Services	\$26,261	Grant Restricted
107 Emergency Management	\$417,937	RCW 38.52; RCW 82.14B
108 Marine Fund/Safety	\$32,162	RCW 88.02.040
110 Veterans Relief	\$58,914	RCW 73.08.010; RCW 73.08.080
111 Election Reserve/Activity	\$93,885	RCW 36.33.200
113 Treasurer's O&M Operating	\$58,035	RCW 84.56.020
114 Law Library	\$20,554	RCW 27.24
117 Weed Control/Operating	\$113,984	RCW 17.10.074
118 Auditor's O&M	\$380,181	RCW 36.22.170
119 Economic Development	\$167,196	Grant Restricted
123 Tourism	\$76,229	RCW 67.28
124 Investigations/Drug Impress	\$164,888	KC BOCC Res#14184; KC BOCC Res#22998
133 Affordable Housing	\$157,218	SHB 2060; RCW 36.22.178
134 Trial Court Improvement/Capital	\$158,910	RCW 3.58; ESSSB 5454
137 Public Health	\$3,473	RCW 70.12, Grant restricted
140 Solid Waste	\$45,000	WAC 173-304-467
142 REET Tech Fund	\$66,035	RCW 82.46
143 Windfarm Sales Tax Exemption	\$49,581	KC BoCC Res#03514
144 Fair Improvement	\$1,560,890	Donor Restricted, KC BoCC Res# 09715
303 Capital Improvement	\$981,464	KC BOCC Res#16312 201 LTD GO Bond Grant restricted

L. Risk Management

Klickitat County is a member of Washington Rural Counties Insurance Program (WRCIP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire, or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1998, when three counties in the state of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2014, there are eight counties in the program.

Klickitat County
Notes to the Financial Statements
December 31, 2015

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive, and Collision, Equipment Breakdown, and Crime Protection; and Liability, including General, Automobile, and Wrongful Acts, which are included to fit members' various needs.

The program acquires insurance through their Administrator, Clear Risk Solutions. Liability coverage is purchased to an aggregate limit of \$45,000,000 with a self-insured retention of \$50,000. Members are responsible for a \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the \$50,000 self-insured retention. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$50,000 self-insured retention. The program also purchases a Stop Loss Policy **with an attachment point of \$575,050.**

Property insurance is subject to a per-occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 - \$10,000 per occurrence deductible. The program bears the \$25,000 self-insured retention, in addition to the deductible.

Equipment Breakdown insurance is subject to a per-occurrence deductible of \$2,500 (\$5,000 for sewer plants). Members are responsible for the full deductible amount of each claim. There is no program self-insured retention on this coverage.

Members contract to remain in the program for a minimum of one year, and must give notice prior to December 31 before terminating participation the following September 1. The Interlocal Agreement is renewed automatically each year. Even after termination, a member remains responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program is governed by an eight-member board of directors elected by each member's designated voting representative. It is felt the individual counties are best able to select their own representatives to manage their insurance association.

The program is funded by its member participants and has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, claims adjustment, administration, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the policy year beginning **December 1, 2014 and ending December 1, 2015, were \$512,022.**

UNEMPLOYMENT INSURANCE

Pursuant to Chapter 50.44.030 and 50.44.060 RCW, Klickitat County makes payments for unemployment benefits to the Washington Employment Security Department in lieu of contributions. The Employment Security Department charges the full amount of unemployment benefits attributable to Klickitat County.

Klickitat County
Notes to the Financial Statements
December 31, 2015

Note 2 – Compliance and Accountability

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

There are two funds with expenditures exceeding legal appropriations:

The Senior Services fund 104 exceeded its budget by \$51,161. It was determined that employee expenses were over budget by approximately \$33,200 from what was estimated for 2015 using 2014 actuals and estimates. They had not calculated an adjustment to incorporate the higher average over 2014 from the COLA that was provided in mid-2014. Additionally in mid-2014 Senior Services began paying sick, vacation, floating holiday, and holiday pay for in-home aides and that was not adequately reflected in the 2015 budget. That would have accounted for approximately \$30,000.00. In addition a key employee that needed extended leave received approximately 100 hours of donated time which equated to approximately \$2500 which was not added into the budget.

Senior Services will more diligently review the budget estimates and actuals in order to appropriately request supplemental budget when indicated. Senior Services total revenue for 2015 was \$35,486.29 over estimated budget revenue and a supplemental could have been requested to make the appropriate adjustments but was not requested for a supplemental budget in error.

The LTD GO Bond fund 201 exceeded its budget by \$33,375. This occurred when the 2015 CERB Airport loan was paid. The pass through payment funds were received from the City of The Dalles into fund 201 and were then paid by wire by the County. This was the first year of the loan payment and no supplemental budget was processed for this fund in 2015 to cover this additional expenditure, even though the revenues were received.

Note 3-Deposits and Investments

It is the County's policy to invest all temporary cash surpluses. The amount is included in the net 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.

The County's deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and by the Washington Public Deposit Protection Commission.

The County's investments are insured, registered, or held by the County or its agent in the County's name. Investments are presented at fair market value.

Klickitat County
Notes to the Financial Statements
December 31, 2015

Investments by type at December 31, 2015 are as follows:

Type of Investments	County's Own Investments	Investments Held by County as an Agent for Other Local Governments, Individuals or Private Organizations	Total
State investment pool	\$41,040,368	\$47,169,973	\$88,210,341
Money Market	\$2,000,000	\$6,919,140	\$8,919,140
TOTAL	\$43,040,368	\$54,089,113	\$97,129,481

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 at 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 for 2015 was \$1.249968832157 per \$1,000 on an assessed valuation of \$3,479,668,091 for a total regular levy of \$4,349,477.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general governmental services. The County's road levy for 2015 was \$1.534358347216 per \$1,000 on an assessed valuation of \$2,809,506,272 for a total regular levy of \$4,310,789.

Klickitat County
Notes to the Financial Statements
December 31, 2015

Note 5 – Interfund Loans and Advances

Resolution #11113 approved a \$1,000,000, no interest, interfund loan from Road Fund #101 to the ERR Fund #504 for the cash flow needed for the 2013 ERR Rock Crushing to be used by Road in 2014. The ERR fund crushed at four locations in 2013 for Road Maintenance and Construction projects. Due to delays in permitting and Right of Way acquisition, the rock was used in 2014 rather than 2013 as previously planned. The six to twelve month delay in use of the rock exceeds the ERR Fund cash flow capability. The 2013-3 Supplemental Budget included an increase to the Road Fund Budget for this loan. In 2014, \$500,000 of this loan was repaid and the balance due was extended by BOCC Resolution #14114. This amount was repaid in 2015 when the remainder of the rock crushed in 2013 for Road projects was used.

Resolution #11114 approved a \$50,000, with interest costs based on the average interest rate of the State Pool for duration of the loan plus a 0.05% administration fee, interfund loan from the Cumulative Reserve Fund #125 to the Emergency Management Fund #127 for the cash flow needed to pay warrants until State reimbursements have been received. The loan was originally due on November 30th, 2014. The BOCC passed Resolution #13914 to extend the loan due date to February 28, 2015. On April 28th, 2015 the loan was cancelled and interest was forgiven by the BOCC per Resolution #06515

Note 6 – Long Term Debt

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liability of the County and summarizes the County's debt transactions for 2015. The debt service payment for the fiscal year being reported and future payment requirements, including interest, are as follows:

YEAR	GO Bonds	Other Debt	Total Debt
2016	193,985	589,785	783,770
2017	193,585	586,989	780,574
2018	192,985	584,193	777,178
2019	192,185	581,397	773,582
2020	191,185	578,601	769,786
2021-2025	766,015	781,439	1,547,454
2026-2030	0	138,125	138,125
2031-2034		103,750	103,750
Total	1,729,940	3,944,279	5,674,219

Other debt includes a Dallesport Waste Water Treatment Facility loan, a Swale Creek Loan and a General Obligation 20-year CERB loan.

Klickitat County
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

At December 31, 2015 compensated absences payable are estimated at \$587,533. Additionally, the commitment for the maintenance of the Horsethief Landfill is approximately \$35,000 annually. Currently the ending of post-closure activities is still remains an unresolved issue between Klickitat County and the Washington State Department of Ecology.

Note 7 – Pension Plans

Substantially all Klickitat County full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans: Public Employees' Retirement System (PERS) Plans 1, 2, and 3; Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2; or Public Safety Employees' Retirement System (PSERS) Plan 2.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

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

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

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2015 (the measurement date of the plans), the County's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	0.094575%	\$4,947,152
PERS 2/3	0.106799%	\$3,815,989
PSERS 2	0.214228%	\$39,101
LEOFF 1	0.008022%	\$(96,683)
LEOFF 2	0.039795%	\$(409,013)

LEOFF Plan 1

The LEOFF Plan 1 is fully funded and not further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

Klickitat County
Notes to the Financial Statements
December 31, 2015

LEOFF Plan 2

Under LEOFF Plan 2, the Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

Note 8 – Other Disclosures

A. Other Postemployment Benefits Other Than Pension Benefit

In addition to the pension benefits described in Note 7, the County provides post-employment health care benefits, in accordance with Revised Code of Washington (RCW) 41.26.150 to all LEOFF 1 retirees. There are currently six LEOFF 1 retirees on the rolls of the county.

The County's post-employment health care benefits for each retiree include payment of the total cost of the health insurance premium and any remaining balance of eligible medically necessary costs not paid by insurance. During 2015, total expenditures of \$39,118 were recognized for post-employment health care.

B. Related Parties

1. *AAADSW (Area Agency on Aging & Disabilities of Southwest Washington is governed by a Council of Governments which consists of elected officials from the five county service area of Klickitat, Skamania, Clark, Cowlitz, & Wahkiakum Counties. Rex Johnston, Klickitat County Commissioner currently serves as the elected official and Sharon Carter, Director of Klickitat County Senior Services serves as his alternate but cannot vote in his absence on any budget/financial decisions.*

Klickitat County Senior Services is a contracted provider and provides services through funding from AAADSW. On some contracts we are a sub recipient and on some a vendor.

In 2015, the County contracted with this agency for:

- \$52,100 cost reimbursement with limit for transportation-Older Americans Act Title IIIB and SCSA state funds for transportation
- \$89,600 for nutrition-Congregate Meal and Home Delivered Meals-Older Americans Act Title IIIC
- \$41,600 for information and assistance-Older Americans Act IIIB
- \$7,500 for FCSP Access Service
- SCSA \$4,170 for Disease Prevention/Health Promotion-Older Americans Act IIID
- Aging Network Case management and Family Caregiver Support Program. Cost Reimbursement with limit of \$2,000; Aging Network Case Management for \$5,000-FCSP-Older Americans Act TIIB and TIII

Klickitat County
Notes to the Financial Statements
December 31, 2015

-
- Medicaid Case Management. Fee for Service of \$134.10 per client per month-Title XIX
 - Home Care Agency Services -Title XIX Medicaid; SCSA, SFCSP, CHORE and Older Americans Act Title IIB and III-E
 - \$33,000 Respite Home Care Services-Older Americans Act Title IIB & III-E, SCSA, SFCSP

2. Greater Columbia Behavioral Health

There is an Interlocal Agreement between Greater Columbia Behavioral Health and member counties which includes Klickitat County for the purpose of planning, authorizing, and coordinating mental health services for all member counties to the agreement.

3. Columbia Gorge Housing Authority

The Columbia Gorge Housing Authority contracts with the Mid-Columbia Housing Authority to administer its programs. The Mid-Columbia Housing Authority and Columbia Gorge Housing Authority provide safe, decent, affordable housing to low-income families in Wasco, Sherman and Hood River Counties in Oregon (Mid-Columbia HA) and Klickitat and Skamania counties in Washington (Columbia Gorge HA).

C. Joint Ventures

On November 1, 2002 the County and the City of The Dalles, OR, entered into an agreement for equal joint ownership of the Columbia Gorge Regional/The Dalles Airport, located in Dallesport, Washington. The transfer and recording of Klickitat County's 50% ownership was done on September 29, 2003. Klickitat County expects to contribute a minimum of \$50,000 each year for operational expenses and fully expects to receive 50% of net income when the airport is on a profitable footing. No profits have been received by the County as of the end of 2014.

An Enterprise Fund was established under the authority of the City of The Dalles, OR for the purpose of advancing funding necessary to carry out the provisions of the Joint Operating Agreement. The County and City will deposit money related to maintenance, operation, and capital improvements at the Airport into the City's Enterprise Fund.

On April 30, 2014, the County entered into an inter-local agreement with the cities within the County (the City of Bingen, the City of White Salmon and the City of Goldendale) to form the Klickitat County Emergency Medical Services District No. 1 ("District"), for the purpose of providing emergency medical services to the unincorporated areas of the county and incorporated areas within city boundaries. The areas within the boundaries of the Bickleton Fire Protection District No.2 and Alderdale Fire Protection District No. 10 are excepted from the inter-local agreement. The County residents had formerly been provided emergency services by Klickitat County Public Hospital Districts No.1 and No.2. The District has authority to levy tax, and a levy was approved by voters to support the operations of the new District beginning 2014.

The District was governed by the County commissioners until the new board was established in June 2014. The board comprises five members: one representing the Cities, one representing both hospital districts, and three remaining Directors appointed by the County Commissioners, one from each Commission Districts.

Klickitat County
Notes to the Financial Statements
December 31, 2015

D. Closure and Post-closure Care Cost

State and Federal laws and regulations require that Klickitat County conduct post-closure maintenance of landfills once closed. Horsethief Landfill was 100% full and closed in 1994

Maintenance and monitoring functions must be performed at the landfill each year for 20 years after closure, given that it was closed under the authority of WAC 173-304, so the post-closure period has expired. No money was spent on Horsethief Landfill in 2015. The cessation of post-closure activities remains an unresolved issue between Klickitat County and the Washington State Dept. of Ecology, but it's likely agreement will be reached in the near future that post-closure activities can cease. The Solid Waste Department used no general fund monies.

E. Roosevelt Regional Landfill

A major source of revenue for the County is the Roosevelt Regional Landfill. On April 15, 2002, Klickitat County entered into a contractual agreement effective January 1, 2002 with Allied Waste Industries, Inc. (AWIN) to continue operating a landfill at Roosevelt, Washington. AWIN pays the County a fixed administrative fee along with other fees based upon the number of tons of solid waste disposed of at the landfill. The money is apportioned to the various funds in the County. The contract is for 25 years with the option to extend it by three, five-year periods. This would take the contract out to 2042. The fees each year will vary. The fees and distribution for 2015 are:

FUND	FEES
General Fund # 001	\$4,381,197.00
Road Fund # 101	\$1,000,000.00
GIS Fund #103	\$34,559.00
Senior Services # 104	\$150,000.00
Victim/Witness Fund # 115	\$15,548.00
County Fair # 116	\$25,000.00
Economic Development # 119	\$255,901.47
Cumulative Reserve # 125	\$979,405.91
Emergency Management #127	\$16,800.00
Sheriff Communications #135	\$200,000.00
Public Health #137	\$250,000.00
Solid Waste # 140	\$170,000.00
LTD GO Bond Fund #201	\$193,860.00
Dallesport WW System #401	\$575,000.00
Information Services # 506	\$515,343.00
TOTAL	\$8,762,614.38

F. Prior Period Adjustment

In 2015, it was found that the Homeless Housing funds under R.C.W's 36.22.179 and 36.22.179.1 were not being correctly allocated between the appropriate county departments, Klickitat County, and Washington State.

Klickitat County
Notes to the Financial Statements
December 31, 2015

Under R.C.W 36.22.179, the County's allocation was being sent to the State, while the County was keeping the State's allocation. Under the R.C.W the Auditor is also allowed to retain a 2% of the \$40 fee. This was being incorrectly allocated to Fund 137 Public Health. The State was over allocated \$186,584 and Public Health was over allocated \$16,308. On December 16th, 2015 Public Health repaid \$16,308 to the Auditor Fund 118. This transaction was recorded as a prior period adjustment in the 2015 financial statements.

Under R.C.W. 36.22.179.1, the County's allocation was being sent to the State, while the County was keeping the State's allocation. The fee was not correctly split to reflect the instruction of the R.C.W. The Auditor was retaining a portion of this fee and the County's portion was going into the Affordable Housing Fund. The portion remitted to the State was also being remitted as if they were Affordable Housing Funds. On December 16th, 2015, the Auditor's Department repaid \$9833.90 to Fund 663 and Fund 133 repaid \$12,820 to Fund 663. This transactions was recorded to Fund 133 as a prior period adjustment in the 2015 financial statements.

The County worked with the Department of Commerce to come to a conclusion on a refund of the funds overpaid the State. The State issued a refund of \$240,925 on 2/12/2016. This will be reported on the 2016 financial statements.

The County recorded a prior period adjustment of \$38,001, to reclassify the County Tax Refund fund. It was reported in error as a managerial fund and combined in the General fund in 2014. It will be correctly combined with the Tourism fund in 2015.

The County also recorded a prior period adjustment of \$2,676 to the Dallesport Wastewater Treatment fund, to correct beginning cash being held by the PUD.

The County recorded a prior period adjustment of \$19,406, to fund 624 DOL Agency. This fund has not previously been reported on our financial statements.

The County recorded a prior period adjustment of \$2,786, to fund 625 Sheriff Inmate Trust. This fund has not previously been reported on our financial statements.

The County recorded a prior period adjustment of \$136,871 to fund 626 Windfarm Agency. This represents the State's portion of money being held from Windfarm Sales Tax being held by the County. This was not previously delineated out of fund 143 in previous years.

Klickitat County
Schedule of Liabilities
For the Year Ended December 31, 2015

<u>ID. No.</u>	<u>Description</u>	<u>Due Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Obligation Debt/Liabilities						
251.11	County LTGO 2005	12/1/2024	1,545,000	-	130,000	1,415,000
Total General Obligation Debt/Liabilities:			1,545,000	-	130,000	1,415,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		878,127	-	290,594	587,533
263.22	Horsethief Landfill		35,000	-	-	35,000
263.82	PW-01-691-038-263.81	7/1/2021	3,389,472	-	484,211	2,905,261
263.82	PW-5-95-791-018-263.81	7/1/2015	14,148	-	14,148	-
263.82	SRF-L0200013	2/28/2023	500,845	-	58,923	441,922
263.82	S10-790A0-002	6/5/2034	500,000	-	25,000	475,000
264.30	Net Pension Liability		-	8,802,242	-	8,802,242
Total Revenue and Other (non G.O.) Debt/Liabilities:			5,317,592	8,802,242	872,876	13,246,958
Total Liabilities:			6,862,592	8,802,242	1,002,876	14,661,958

Klickitat County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
Food And Nutrition Service, Department Of Agriculture (via WA State Dept of Health)	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C17115	139,280	-	139,280	1
Food And Nutrition Service, Department Of Agriculture (via WA State Dept of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C17115	155	-	155	1
Forest Service Schools and Roads Cluster							
Forest Service, Department Of Agriculture (via Forest Service)	Schools and Roads - Grants to States	10.665	Title I - Schools and Roads	23,718	-	23,718	1
Total Forest Service Schools and Roads Cluster:				23,718	-	23,718	
National Oceanic And Atmospheric Administration (noaa), Department Of Commerce (via WA State Recreation Conservation Office)	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11.438	RCO#13-1378P & RCO # 15-1380P	61,529	-	61,529	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington St. Dept. of Commerce)	Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	14-65400-009 & 15-62210-009	75,214	-	75,214	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via WA St Dept of Commerce)	Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	13-654000-023	55,349	-	55,349	1
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington St. Dept of Commerce)	Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	12-65400-028	787,212	-	787,212	1
Total CFDA 14.228:				917,775	-	917,775	914,830

The accompanying notes are an integral part of this schedule.

Office Of Juvenile Justice And Delinquency Prevention, Department Of Justice (via WA State Dept of Social & Health Services)	Juvenile Accountability Block Grants	16.523	1463-17254	7,000	-	7,000	-	1
Violence Against Women Office, Department Of Justice (via WA St Dept of Commerce)	Violence Against Women Formula Grants	16.588	F14-31103-020	15,349	-	15,349	-	1
Bureau Of Justice Assistance, Department Of Justice (via Justice Benefits, Inc.)	State Criminal Alien Assistance Program	16.606	2015-H0663-WA-AP	4,406	-	4,406	-	1
Highway Planning and Construction Cluster								
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BROS	12,179	-	12,179	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STP-R	1,238,907	-	1,238,907	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	HISP	37,268	-	37,268	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	TAP	7,345	-	7,345	-	1
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STP-E	1,158	-	1,158	-	1
Total Highway Planning and Construction Cluster:				1,296,857	-	1,296,857	-	
Federal Transit Administration (fta), Department Of Transportation (via Washington Department of Transportation)	Formula Grants for Rural Areas	20.509	UCB1143	188,764	-	188,764	-	1
Federal Transit Administration (fta), Department Of Transportation (via Washington Department of Transportation)	Formula Grants for Rural Areas	20.509	UCB2100	206,284	-	206,284	-	1
Total CFDA 20.509:				395,048	-	395,048	-	

Transit Services Programs Cluster

The accompanying notes are an integral part of this schedule.

Federal Transit Administration (fta), Department Of Transportation (via WA State Dept of Transportation)	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	UCB1144	75,200	-	75,200	-	1
Total Transit Services Programs Cluster:								
				75,200	-	75,200	-	
Highway Safety Cluster								
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA State Traffic Safety Commission)	State and Community Highway Safety	20.600	n/a	15,000	-	15,000	-	1
Total Highway Safety Cluster:								
				15,000	-	15,000	-	
Administration For Community Living, Department Of Health And Human Services (via WA State Dept of Social & Health Services)	Special Programs for the Aging_ Title III, Part D_Disease Prevention and Health Promotion Services	93.043	C2114	2,707	-	2,707	-	1
Aging Cluster								
Administration For Community Living, Department Of Health And Human Services (via WA State Dept of Transportation)	Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	C16015	10,092	-	10,092	-	1
Administration For Community Living, Department Of Health And Human Services (via WA State Dept of Transportation)	Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	C25114	19,037	-	19,037	-	1
Total CFDA 93.044:								
				29,130	-	29,130	-	
Administration For Community Living, Department Of Health And Human Services (via WA State Dept of Transportation)	Special Programs for the Aging_ Title III, Part C_Nutrition Services	93.045	C16015	52,017	-	52,017	-	
Administration For Community Living, Department Of Health And Human Services (via WA State Dept of Transportation)	Special Programs for the Aging_ Title III, Part C_Nutrition Services	93.045	C16015	12,590	-	12,590	-	1
Total CFDA 93.045:								
				64,607	-	64,607	-	
Administration For Community Living, Department Of Health And Human Services (via WA State Dept of Social & Health Services)	Nutrition Services Incentive Program	93.053	C16015	12,300	-	12,300	-	1
Administration For Community Living, Department Of Health And Human Services (via WA State Dept of Social & Health Services)	Nutrition Services Incentive Program	93.053	C16015	1,500	-	1,500	-	1

The accompanying notes are an integral part of this schedule.

Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via WA State Health Care Authority)	Medical Assistance Program	93.778	1163-35251 & K1408	59,293	-	59,293	-	1
Total Medicaid Cluster:				59,293	-	59,293	-	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Central Washington Comprehensive Mental Health)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1163-27315 & 1563-43841	28,242	-	28,242	-	1
Health Resources And Services Administration, Department Of Health And Human Services (via WA State Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C17115	36,502	-	36,502	-	1
Department Of Homeland Security (via WA State Parks & Recreation Commission)	Boating Safety Financial Assistance	97.012	3314FAS140153	6,676	-	6,676	-	1
Department Of Homeland Security (via WA State Military Dept)	Emergency Management Performance Grants	97.042	E15-174 & E15-174 (A)	82,830	-	82,830	-	1
Total Federal Awards Expended:				3,381,179	-	3,381,179	914,830	

The accompanying notes are an integral part of this schedule.

Klickitat County
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

Note 1 – Basis of Accounting

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

Note 2 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including Klickitat County's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or 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.

Note 7 – Indirect Cost Rate

The amount expended includes \$5,723 claimed as an indirect cost recovery using an approved indirect cost rate of 19.25% of direct salaries. Klickitat County has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

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	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov