



Washington State Auditor's Office

Government that works for citizens

Financial Statements and Federal Single Audit Report

Wahkiakum County

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

Published September 19, 2016

Report No. 1017494





Washington State Auditor's Office

September 19, 2016

Board of Commissioners
Wahkiakum County
Cathlamet, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Wahkiakum 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

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Wahkiakum 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 its major federal program.

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 program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

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

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.

**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**

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

Board of Commissioners
Wahkiakum County
Cathlamet, 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 Wahkiakum 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 September 9, 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.

COMPLIANCE AND OTHER MATTERS

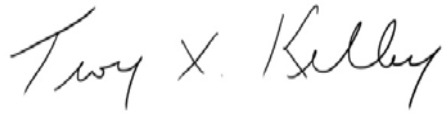
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

September 9, 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**

Wahkiakum County
January 1, 2015 through December 31, 2015

Board of Commissioners
Wahkiakum County
Cathlamet, Washington

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

We have audited the compliance of Wahkiakum County, Wahkiakum 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.

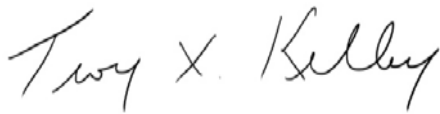
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

September 9, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Wahkiakum County January 1, 2015 through December 31, 2015

Board of Commissioners
Wahkiakum County
Cathlamet, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Wahkiakum 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 15.

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, Wahkiakum 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 Wahkiakum 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 Wahkiakum 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.

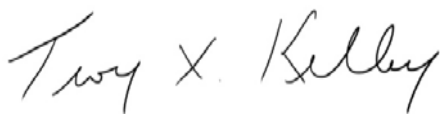
Other Matters

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 September 9, 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

September 9, 2016

FINANCIAL SECTION

Wahkiakum 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

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

		Total for All Funds (Memo Only)	001 Current Expense	100 Public Health
Beginning Cash and Investments				
30810	Reserved	8,096,859	4,162,796	18,082
30880	Unreserved	18,284	18,284	-
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	2,288,660	1,686,719	-
320	Licenses and Permits	44,538	20,502	24,036
330	Intergovernmental Revenues	7,435,551	606,659	170,458
340	Charges for Goods and Services	938,874	365,993	15,429
350	Fines and Penalties	146,627	139,909	-
360	Miscellaneous Revenues	961,941	322,982	8,839
Total Operating Revenues:		11,816,191	3,142,763	218,763
Operating Expenditures				
510	General Government	2,713,296	2,583,510	-
520	Public Safety	2,001,363	1,851,460	-
530	Utilities	108,488	-	-
540	Transportation	3,190,276	-	-
550	Natural and Economic Environment	347,875	329,735	-
560	Social Services	1,453,778	164,165	288,489
570	Culture and Recreation	223,668	148,777	-
598	Miscellaneous Expenses	-	-	-
Total Operating Expenditures:		10,038,744	5,077,647	288,489
Net Operating Increase (Decrease):		1,777,447	(1,934,884)	(69,726)
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	1,000,033	824,934	-
391-393	Debt Proceeds	3,000	3,000	-
397	Transfers-In	1,060,567	953,658	56,696
Total Nonoperating Revenues:		2,063,600	1,781,593	56,696
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	4,219	4,103	-
591-593	Debt Service	564	564	-
594-595	Capital Expenditures	2,764,271	108,822	-
597	Transfers-Out	1,061,687	106,909	-
Total Nonoperating Expenditures:		3,830,742	220,398	-
Net Increase (Decrease) in Cash and Investments:		10,306	(373,690)	(13,030)
Ending Cash and Investments				
5081000	Reserved	8,063,053	3,744,996	5,052
5088000	Unreserved	62,395	62,395	-
Total Ending Cash and Investments		8,125,448	3,807,391	5,052

The accompanying notes are an integral part of this statement.

101 Chemical Dependency	102 Veterans Relief	104 Mental Health	106 County Fair	107 County Road	108 Enhanced 911
55,073	6,009	50,773	24,320	1,018,345	45,823
-	-	-	-	-	-
-	-	-	-	-	-
37,759	6,760	-	-	251,227	37,770
-	-	-	-	-	-
164,908	26	710,732	32,279	4,182,000	625,041
8,903	-	19,076	6,093	195,544	-
-	-	-	-	-	-
219	6	8,104	26,292	516	18
211,790	6,793	737,912	64,664	4,629,286	662,829
-	-	-	-	17,947	-
-	-	-	-	-	85,572
-	-	-	-	-	-
-	-	-	-	2,079,025	-
-	-	-	-	-	-
249,089	3,030	689,447	-	-	-
-	-	-	60,148	-	-
-	-	-	-	-	-
249,089	3,030	689,447	60,148	2,096,972	85,572
(37,299)	3,763	48,465	4,516	2,532,314	577,257
-	-	-	8	151,100	-
-	-	-	-	-	-
25,048	-	-	-	-	-
25,048	-	-	8	151,100	-
-	-	-	116	-	-
-	-	-	-	-	-
-	-	-	1,448	2,114,203	61,458
6,086	-	2,995	1,120	467	465,376
6,086	-	2,995	2,684	2,114,671	526,834
(18,337)	3,763	45,470	1,840	568,744	50,423
36,736	9,771	96,244	26,159	1,587,089	96,245
-	-	-	-	-	-
36,736	9,771	96,244	26,159	1,587,089	96,245

The accompanying notes are an integral part of this statement.

109 Tourism Development	112 CR Emergency Expenditure	114 CR Emergency Medical Service	119 CR Criminal Justice	120 Crime Victim and Witness	121 Boating Safety
9,429	83,561	292,497	295,779	51,756	8,338
-	-	-	-	-	-
-	-	-	-	-	-
20,155	-	152,183	-	-	-
-	-	-	-	-	-
-	-	10,090	610,958	14,946	4,750
-	-	-	275	4,222	-
-	-	-	-	48	-
-	-	-	-	-	-
20,155	-	162,272	611,233	19,217	4,750
-	-	-	-	17,653	-
-	-	60,259	-	-	4,072
-	-	-	-	-	-
-	-	-	-	-	-
18,139	-	-	-	-	-
-	-	-	2,376	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,139	-	60,259	2,376	17,653	4,072
2,016	-	102,013	608,857	1,564	678
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	201,213	-	-	500
-	19,111	-	400,000	6,000	-
-	19,111	201,213	400,000	6,000	500
2,016	(19,111)	(99,200)	208,857	(4,436)	178
11,445	64,450	193,298	504,636	47,320	8,517
-	-	-	-	-	-
11,445	64,450	193,298	504,636	47,320	8,517

The accompanying notes are an integral part of this statement.

122 Developmental Disabilities	132 Rural Co Pub Facil and Econ Dev	133 Affordable Housing	134 Homeless Housing	135 Trial Court Improvement	150 Auditors O and M
40,513	68,318	42,070	137,465	5,601	103,432
-	-	-	-	-	-
-	-	-	-	-	-
15,247	34,265	-	-	-	-
-	-	-	-	-	-
18,276	-	-	-	9,162	39,258
-	-	4,475	23,951	12,108	3,219
-	-	-	-	6,670	-
-	-	-	-	-	-
33,524	34,265	4,475	23,951	27,940	42,477
-	20,000	-	-	-	63,514
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,182	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,182	20,000	-	-	-	63,514
(23,658)	14,265	4,475	23,951	27,940	(21,037)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
249	-	-	-	24,226	-
249	-	-	-	24,226	-
(23,907)	14,265	4,475	23,951	3,714	(21,037)
16,606	82,582	46,545	161,416	9,314	82,395
-	-	-	-	-	-
16,606	82,582	46,545	161,416	9,314	82,395

The accompanying notes are an integral part of this statement.

160 Transit	170 Treasurers O and M	171 REET Electronic Tech	195 Forfeited Property and Seizures	301 Capital Improvement	402 Johnson Park
108,622	4,150	3,826	36,090	725,370	3,806
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	46,237	339
-	-	-	-	-	-
199,483	-	8,543	-	-	-
120,944	7,522	-	-	-	6,056
-	-	-	-	-	-
4,781	-	-	-	-	12,733
325,208	7,522	8,543	-	46,237	19,128
-	1,645	9,027	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
404,937	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	14,744
-	-	-	-	-	-
404,937	1,645	9,027	-	-	14,744
(79,729)	5,877	(483)	-	46,237	4,384
9,160	-	-	-	-	25
-	-	-	-	-	-
-	-	-	-	-	-
9,160	-	-	-	-	25
-	-	-	-	-	-
-	-	-	-	-	-
4,000	-	-	-	210,839	33
1,148	-	-	28,000	-	-
5,148	-	-	28,000	210,839	33
(75,717)	5,877	(483)	(28,000)	(164,602)	4,376
32,905	10,027	3,342	8,090	560,768	8,182
-	-	-	-	-	-
32,905	10,027	3,342	8,090	560,768	8,182

The accompanying notes are an integral part of this statement.

403 Wahkiakum Solid Waste	501 E R and R
17,661	677,354
-	-
-	-
-	-
-	-
27,983	-
38,392	106,672
-	-
(6)	577,456
66,369	684,128
-	-
-	-
108,488	-
-	706,315
-	-
-	-
-	-
108,488	706,315
(42,119)	(22,187)
-	14,806
-	-
25,165	-
25,165	14,806
-	-
-	-
-	61,754
-	-
-	61,754
(16,954)	(69,135)
706	608,219
-	-
706	608,219

The accompanying notes are an integral part of this statement.

WAHKIAKUM COUNTY

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

BARS CODE		Total for All Fiduciary Funds	AGENCY FUND Fund 631	STATE GENERAL Fund 632
308	Begin Net Cash & Invest	247,614	2,992	26,694
388-588	Prior Period Adjustments, Net	(219)		
310-360	Revenues	0	0	0
370-390	Other Increases and Financing Sour	2,410,328	148,690	1,511,586
510-570	Expenditures	4,850	0	0
580-590	Other Decreases and Financing Use	2,379,881	149,770	1,502,908
	Increase (Decrease) in Cash and Investments	30,447	(1,080)	8,678
508	Ending Net Cash & Investments	278,061	1,912	35,372

BARS CODE		WCN Fund 663	CO TIMBER TAX Fund 678	JAIL Commissary
308	Begin Net Cash & Invest	15,586	165,201	3,397
388-588	Prior Period Adjustments, Net			(219)
310-360	Revenues	0	0	0
370-390	Other Increases and Financing Sources		(12,583)	52,156
510-570	Expenditures	4,850	0	0
580-590	Other Decreases and Financing Use	0	0	51,195
	Increase (Decrease) in Cash and Investments	0	(12,583)	742
508	Ending Net Cash & Investments	10,736	152,618	4,139

BARS CODE		CLERK Trust Fund	District Court Trust Fund	
308	Begin Net Cash & Invest	27,143	6,601	
388-588	Prior Period Adjustments, Net			
310-360	Revenues	0	0	
370-390	Other Increases and Financing Sour	468,938	241,541	
510-570	Expenditures	0	0	
580-590	Other Decreases and Financing Use	429,059	246,949	
	Increase (Decrease) in Cash and Investments	39,879	(5,408)	
508	Ending Net Cash & Investments	67,022	1,193	

The Accompanying Notes Are An Integral Part Of This Statement.

WAHKIAKUM COUNTY
NOTES TO FINANCIAL STATEMENTS
January 1, 2015 through December 31, 2015
MCAG No.0172

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wahkiakum County was incorporated in 1854 and operates under the laws of the state of Washington applicable to an eighth class county with a board of commissioner's type of government. The county is a general-purpose government and provides public safety, fire prevention, street improvement, parks and recreation, health and social services, and general administrative services. In addition, the county owns and operates a solid waste facility.

Wahkiakum 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 principle (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.

A. Fund Accounting

Financial transactions of the county are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash, investments, revenues and expenditures. The county's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following the fund types are used:

GOVERNMENTAL FUND TYPES:

General 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.

Special Revenue Funds

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

Capital Projects 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.

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.

FIDUCIARY FUND TYPES:

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

Agency Funds

These funds are used to account assets that the county holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the county also recognized expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The county adopts annual appropriated budgets for all funds except Fiduciary 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 same basis of accounting as used for financial reporting.

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

Fund /Department	Final Appropriated Amounts	Actual Expenditures	Variance
Current Expense:			
General	0	0	0
Agent	64,262	66,557	(2,295)
Assessor	213,377	213,069	308
Auditor	339,184	334,240	4,944
Board of Equalization	7,708	2,467	5,241
Civil Service	2,800	1,504	1,296
Clerk	186,746	181,394	5,352
Commissioners	218,233	217,100	1,133
Communications	2,310	2,012	298
Coroner	3,750	1,120	2,630
District Court	253,489	264,646	(11,157)
Court Security	27,897	18,666	9,231
Emergency Services	77,527	76,513	1,014
Facilities	75,600	79,223	(3,623)
Housing & Comm Devel	394,104	306,332	87,772
Community Outreach	123,386	155,867	(32,481)
Jail	602,942	606,125	(3,183)
Janitor	48,000	47,782	218
Juvenile Probation	100,000	63,721	36,279
Non Departmental	723,211	394,138	329,073
Parks	6,760	7,017	(257)
Planning Commission	590	1,377	(787)
Prosecuting Attorney	441,381	434,663	6,718
Law Library	15,000	12,580	2,420
Sheriff	980,770	964,374	16,396
Superior Court	155,961	113,423	42,538
Public Defense Services	12,331	12,331	0
Treasurer	201,176	199,886	1,290
Weed Control	24,360	17,758	6,602
Flood Control	98,500	3,875	94,625
Election Reserve	100,661	50,801	49,860

Unemployment Fund	44,012	5,954	38,058
Sand Pit	27,000	0	27,000
CR Public Works	935,727	0	935,727
CR County Properties	1,127,553	97,193	1,030,360
CR Contingent Liabilities	1,399,436	34,085	1,365,351
CR Interlocal Cooperative	28,532	16,833	11,699
CR Electronic Commun	404,000	188,256	215,744
Domestic Violence Preven	14,765	0	14,765
Municipal Pool	132,011	50,000	82,011
Drug Buy	31,731	30,000	1,731
Total Current Expense	9,646,783	5,272,882	4,373,901
Other Funds:			
Public Health	378,283	288,489	89,794
Chemical Dependency	254,002	255,175	(1,173)
Veterans Relief	6,960	3,030	3,930
Mental Health	789,743	692,442	97,301
County Fair	81,581	62,832	18,749
County Road	5,611,240	4,211,642	1,399,598
Enhanced 911	747,124	612,407	134,717
Tourism Development	27,510	18,139	9,371
CR Emergency Expend	83,561	19,111	64,450
CR Emer Med Service	424,931	261,472	163,459
CR Criminal Justice	664,839	402,376	262,463
Crime Victim/Witness	59,912	23,653	36,259
Boating Safety	16,828	4,572	12,256
Develop Disabilities	63,700	57,431	6,269
Rural Co Public Facilities & Economic Development	82,225	20,000	62,225
Affordable Housing	44,765	0	44,765
Homeless Housing	149,172	0	149,172
Trial Court Improvement	36,401	24,226	12,175
Auditor O & M	187,154	63,514	123,640
Transit	343,210	410,085	(66,875)
Treasurer's O & M	7,592	1,645	5,947
REET Electronic Tech	12,200	9,027	3,173
Forfeited Prop & Seizures	36,090	28,000	8,090
Capital Improvements	675,008	210,839	464,169
Johnson Park	27,839	14,777	13,062
Wahk Solid Waste	120,345	108,488	11,857
Equip Rental & Revolving	1,658,169	768,069	890,100

Budgeted amounts are authorized to be transferred between (departments within any fund/object classes within departments); any revisions that alter the total expenditures of a fund or that affect the number authorized employee positions, salary ranges, hours, and other conditions of employment must be approved by the county's legislative body and by mutual agreement with the unions; Masters, Mates and Pilots and the AFSCME bargaining units.

Fund	Budget Amendment	Explanation of Significant Budget Amendments
Current Expense	100,000	Superior Court Clerk received additional Domestic Filing fees due to increase of electronic divorce filings.
Mental Health	50,000	Increase in grant for Medicaid services.
Trial Court Improvement	16,677	Beginning Net Cash & Investments increased to actual, increase in Judicial Stabilization Sur Charge.
Wahkiakum Solid Waste	10,007	Beginning Net Cash & Investments increased to actual, increase in Solid Waste Fees.

- D. Cash and Investments
See Note 2, *Deposits and Investments*.
- E. Capital Assets
Capital assets are assets with an initial individual cost of \$5,000 or more and a service life of more than one year. The capital assets and inventory are recorded as expenditures when purchased.
- F. Compensated Absences
Vacation leave may be accumulated up to 240 hours and is payable upon separation, appointment to an elected position or retirement. Sick leave may be accumulated as follows: 8 hour employees up to 1200 hours; 7 hour employees up to 1,050 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.
- G. Long-Term Debt
See Note 5, Debt Service Requirements.
- H. Other Financing Sources or Uses
The county's "Other Financing Sources or Uses" consist of:
 Sale of Capital Assets
 Timber Sales
 Insurance Recovery
 State Taxes collected and disbursed
- I. Risk Management
The county is a member of the 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 Inter-local Cooperation Act. The program was formed on September 1, 1998 when three counties in the State of Washington joined together by signing an Inter-local Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1 2015, eight counties are in the program.

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 \$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 as another layer of protection to its membership, 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 the first \$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 before December 31 before terminating participation the following December 1. The Inter-local 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 Inter-local 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, 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 \$512,021.86.

The county maintains insurance against most normal hazards except for unemployment insurance where it has elected to become self-insured. The Unemployment Fund (#110) is responsible for paying claim settlements. The Unemployment Fund is deemed to have sufficient funds therefore the inter-fund premiums assessment from insured funds and department has been suspended since 2003. The Unemployment Fund balance will be reviewed annually.

Unemployment claims are processed by Washington State, Employment Security Department. Claims filed with Employment Security Dept. are sent to Wahkiakum County for verification and approval or contestment. Employment Security Dept. then bills Wahkiakum County for claims paid out. Unemployment benefits paid out amounted to:

	<u>2015</u>	<u>2014</u>
UNEMPLOYMENT	\$5,954.46	\$13,279.39

Unpaid Claims Liabilities - N/A

- J. Reserved Portion of Ending Cash and Investment
Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by resolution. When expenditures that meet restrictions are incurred, the county intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of

Reserved Funds	As of 12/31/15
Current Expense Fund	
Reserved Funds	
Flood Control	88,028
Election Reserve	19,183
Unemployment Fund	30,905
Sand Pit	11,606
CR Public Works	938,727
CR County Properties	1,081,908
CR Contingent Liabilities	1,101,681
CR Interlocal Cooperative	13,566
CR Electronic Commun	354,906
Domestic Violence Preven	20,267
Municipal Pool	82,010
Drug Buy	2,203

Other Reserved Funds	
Public Health	5,052
Chemical Dependency	36,736
Veterans Relief	9,771
Mental Health	96,244
County Fair	26,159
County Road	1,587,089
Enhanced 911	96,245
Tourism Development	11,445
CR Emergency Expend	64,450
CR Emer Med Service	193,298
CR Criminal Justice	504,636
Crime Victim/Witness	47,320
Boating Safety	8,517
Develop Disabilities	16,606
Rural Co Public Facilities & Economic Development	82,582
Affordable Housing	46,545
Homeless Housing	161,416
Trial Court Improvement	9,314
Auditor O & M	82,395
Transit General	32,905
Treasurer's O & M	10,027
REET Electronic Tech	3,342
Forfeited Prop & Seizures	8,090
Capital Improvements	560,768

NOTE 2 - DEPOSITS AND INVESTMENTS

It is the county's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and the Washington Public Deposit Protection Commission. All investments are insured, registered, or held by the county or its agent in the county's name.

Investments are reported at original cost. Investments by type at December 31, 2015 are as follows:

<u>Type of Investment</u>	<u>County's Own Investments</u>	<u>Investment held by County as Agent for Other local governments Or private organizations.</u>	<u>Total</u>
L.G.I.P.	\$3,464,800	\$12,606,400	\$16,071,200
US Government Securities	-0-	-0-	-0-
Other:			
C.D.	3,000,000		3,000,000
Interest Bearing Warrants	1,079,200		1,079,200
TOTAL	\$7,544,000	\$12,606,400	\$20,150,400

NOTE 3 - 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 when taxes are levied.

Wahkiakum County's regular levy for 2015 was \$1.20576 per \$1,000 on an assessed valuation of \$427,768,696 for a total regular levy of \$515,787.

NOTE 4 - INTERFUND LOANS AND ADVANCES

The following table displays inter-fund loan activity during 2015:

<u>Borrowing Fund</u>	<u>Lending Fund</u>	<u>01/01/15 Balance</u>	<u>New Loans</u>	<u>Repayments</u>	<u>12/31/15 Balance</u>
Current Expense	CR Contingent Liab	-0-	500,000	500,000	-0-
Current Expense	CR Contingent Liab	-0-	300,000	-0-	300,000

NOTE 5 - DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the county and summarizes the county's debt transactions for year ended December 31, 2015.

The Wahkiakum Public Works Department has a State of Washington Department of Transportation Highway Infrastructure Account Loan Agreement #LA-7599 for a maximum amount of \$1,100,000, with a loan repayment date of December 31, 2021. The loan repayment schedule is as follows:

	<u>Federal Ferry Boat Program Funds</u>	<u>County Road Funds</u>	<u>Federal Surface Transportation Program Funds</u>	<u>Payment Plan</u>
2018		34,722	97,250	131,972
2019		34,722	97,250	131,972
2020		34,722	97,250	131,972
2021		606,834	97,250	704,084

Wahkiakum County Health and Human Services Chemical Dependency Department has Long-Term Debt of \$16,142 with the Washington Department of Social Health Services. This Long-Term Debt is due June 30, 2016. Wahkiakum County does administer debt for other entities.

NOTE 6 - PENSION PLANS

Substantially all 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: PERS I and PERS II, PERS III, PSERS, and LEOFF II.

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

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

As of 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:

	<u>Allocation %</u>	<u>Liability (Asset)</u>
PERS 1	0.03383000%	1,769,624
PERS 2/3	0.03990500%	1,425,828
PSERS 2	0.02663600%	4,862
LEOFF 1	0.00146000%	(17,596)
LEOFF 2	0.01537300%	(158,004)

LEOFF Plan 1

The Wahkiakum County also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no 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.

LEOFF Plan 2

The County also participates in the 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 7 - OTHER DISCLOSURES

For the period of January 1, 2015 through December 31, 2015 the Office of the Prosecuting Attorney, Wahkiakum County, Washington, advised that there were the following lawsuits against the county:

Carol Richardson v. Wahkiakum County and Melvin Venard, Cowlitz County cause #14-2-00611-1, a road design tort lawsuit arising out of a motorcycle accident in which two people were injured. Each victim made a claim of \$750,000.00 against the county.

RELATED PARTY TRANSACTIONS

As a related parties transaction disclosure Wahkiakum County paid Regional Dues to Cowlitz-Wahkiakum Council of Governments \$5,158 during the Fiscal Year 2015.

COMPLIANCE AND ACCOUNTABILITY

The expenditures of the Chemical Dependency Fund exceeded legal appropriations by \$1,173. The expenditures of the Transit Fund exceeded legal appropriations by \$66,875. We are implementing procedures to try and make certain this does not happen again. There have been no other violations of finance-related legal or contractual provisions.

SIGNIFICANT COMMITMENTS OR OBLIGATIONS - OPEB

Wahkiakum County has a commitment to pay for post-employment benefits for employees that belong to LEOFF 1. These benefits include medical, vision, nursing care, etc. One retiree received benefits during the year and \$8,466 was paid out for those benefits during the year.

The county is aware of no other potential lawsuits, violations, or possible violations of laws or regulations which could materially affect Wahkiakum County or its financial position.

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	PW LA-7599	12/31/2021	36,080	991,337	-	1,027,417
263.81	CD DSHS 1563-32978	6/30/2016	16,142	-	-	16,142
	Total General Obligation Debt/Liabilities:		52,222	991,337	-	1,043,559
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences-GO		220,586	40,382	28,941	232,027
264.30	Net Pension Liability		-	3,200,314	-	3,200,314
	Total Revenue and Other (non G.O.) Debt/Liabilities:		220,586	3,240,696	28,941	3,432,341
	Total Liabilities:		272,808	4,232,033	28,941	4,475,900

Wahkiakum 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			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Food And Nutrition Service, Department Of Agriculture (via Department of Health)	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C-17130	31,657	-	31,657	-	6
SNAP Cluster								
Food And Nutrition Service, Department Of Agriculture (via Dept of Health)	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N20824, N21453, WCCir-1	24,738	-	24,738	-	
Total SNAP Cluster:				24,738	-	24,738	-	
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Dept of Commerce)	Home Investment Partnerships Program	14.239	14-42401-115, 15- 42401-115	23,863	-	23,863	-	
Violence Against Women Office, Department Of Justice (via Dept of Commerce)	Violence Against Women Formula Grants	16.588	F14-31103-088	50,625	-	50,625	31,509	
Highway Planning and Construction Cluster								
Federal Highway Administration (fhwa), Department Of Transportation (via Dept of Transportation)	Highway Planning and Construction	20.205	LA-7599	1,652,642	-	1,652,642	-	
Federal Highway Administration (fhwa), Department Of Transportation (via Dept of Transportation)	Highway Planning and Construction	20.205	LA-8653	43,490	-	43,490	-	
Federal Highway Administration (fhwa), Department Of Transportation (via Dept of Transportation)	Highway Planning and Construction	20.205	LA-8654	5,104	-	5,104	-	
Federal Highway Administration (fhwa), Department Of Transportation (via Dept of Transportation)	Highway Planning and Construction	20.205	Unknown	825	-	825	-	
Total Highway Planning and Construction Cluster:				1,702,061	-	1,702,061	-	

Highway Safety Cluster

National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via WA Assn of Sheriffs & Police Chiefs)	State and Community Highway Safety	20.600	2013-2014 WASPC Traffic Safety Equipment Grant	4,250	-	4,250	-
Total Highway Safety Cluster:				4,250	-	4,250	-
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Dept of Health)	Public Health Emergency Preparedness	93.069	C17130	17,435	-	17,435	-
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Division of Behavioral Health & Recovery)	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1163-27330, 1363-90049	36,284	-	36,284	-
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Wahkiakum Community Network)	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1363-90049	1,766	-	1,766	-
Total CFDA 93.243:				38,050	-	38,050	-
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Dept of Health)	Immunization Cooperative Agreements	93.268	C17130	3,147	-	3,147	-
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Dept of Health)	Immunization Cooperative Agreements	93.268	198000	1,658	-	1,658	-
Total CFDA 93.268:				4,805	-	4,805	-
Administration For Children And Families, Department Of Health And Human Services (via Division of Child Support)	Child Support Enforcement	93.563	2110-80495	16,267	-	16,267	-
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Division of Behavioral Health & Recovery)	Block Grants for Community Mental Health Services	93.958	1563-39521	2,179	-	2,179	-
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Timberland Regional Support Network)	Block Grants for Community Mental Health Services	93.958	2014-2015, 2015-2016	27,055	-	27,055	-

The accompanying notes are an integral part of this schedule.

				Total CFDA 93.958:	29,234	-	29,234	-
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Division of Behavioral Health & Recovery)	93.959	Block Grants for Prevention and Treatment of Substance Abuse	1163-27330, 1563-42497	50,867	50,867	-	50,867	-
Health Resources And Services Administration, Department Of Health And Human Services (via Dept of Health)	93.994	Maternal and Child Health Services Block Grant to the States	C17130	25,427	25,427	-	25,427	6
Department Of Homeland Security (via WA State Military Dept)	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	1817-DR-WA	134,850	134,850	-	134,850	4
Department Of Homeland Security (via Clark Regional Emergency Services Agency)	97.067	Homeland Security Grant Program	E14-156	45,627	45,627	-	45,627	-
Total Federal Awards Expended:				2,199,756	2,199,756	-	2,199,756	31,509

The accompanying notes are an integral part of this schedule.

WAHIAKUM COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
January 1, 2015 through December 31, 2015
MCAG No.0172

NOTE 1 – BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the county's financial statements. The 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 budget appropriations as required by state law. Purchases of fixed assets are expensed during the year of acquisition. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

NOTE 2 – PROGRAM COSTS

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

NOTE 3 – NON-CASH AWARDS – VACCINES

The amount of vaccine reported on the schedule is the value of vaccine distributed by the Wahkiakum County Department of Health during 2015 and priced as prescribed by the Washington State Department of Health.

NOTE 4 – DISASTER ASSISTANCE

Due to the uncertainty of how much federal and state disaster assistance funding will be approved the expenditures reported is equal to the amount received during 2015

NOTE 5 – INDIRECT COST RATE

The amount expended includes amounts claimed as indirect cost recovery using an approved indirect rate of 20.25% to the following program:

93.563	\$ 2,013
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NOTE 6 – INDIRECT COST ALLOCATION PLAN

The amount expended includes amounts developed with a cost allocation plan that was presented to the WA Department of Health for use by Department of Health Programs in determining indirect charges that may be included in the following programs:

10.557	\$ 3,312
93.069	\$ 1,191
93.268	\$ 262
93.994	<u>\$ 2,766</u>
	<u>\$11,680</u>

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.

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