



Washington State Auditor's Office

Government that works for citizens

Financial Statements and Federal Single Audit Report

Whitman County

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

Published November 28, 2016

Report No. 1017761





Washington State Auditor's Office

November 28, 2016

Board of Commissioners
Whitman County
Colfax, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Whitman County's Schedule of Expenditures of Federal Awards and compliance with federal laws and regulations.

We are issuing this report in order to provide information on specific financial activities of the County.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Whitman County January 1, 2015 through December 31, 2015

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Whitman 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 Schedule of Expenditures of Federal Awards in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because schedule is prepared using a basis of accounting other than GAAP.

We were engaged to audit the financial statements and a disclaimer of opinion was issued in a separate report.

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We identified no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies related to the Schedule of Expenditures of Federal Awards. We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies related to the financial statements.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses related to the Schedule of Expenditures of Federal Awards. We identified deficiencies that we consider to be material weaknesses related to the financial statements, which are included in a separate report.

We noted no instances of noncompliance that were material to the financial statements or the Schedule of Expenditures of Federal Awards 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 (Federal-Aid Highway program)

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

See finding 2015-001. In a separate report dated October 5, 2016, matters related to the financial statements were included in finding 2015-002.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Whitman County January 1, 2015 through December 31, 2015

2015-001 The County's did not have adequate internal controls in place to ensure accurate reporting of its Schedule of Expenditures of Federal Awards.

Background

County Elected Officials and appointed management are responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of financial reporting. Our audit identified deficiencies in internal controls that adversely affected the County's ability to produce reliable financial statements and required schedules.

All local governments in Washington that spend federal funds are required to prepare a Schedule of Expenditures of Federal Awards (SEFA) as part of the annual financial report. U.S. Office of Management and Budget (OMB) Code of Federal Regulations (2 CFR 200 Subpart F) requires grantees report all federal awards expended on the SEFA each fiscal year and that audited financial statement and SEFA be submitted by the following September 30th. The County missed its federal single audit deadline from 2003 through 2011 and for the current year.

Description of Condition

Our audit process identified the following deficiencies in internal controls over financial reporting that, when taken together, represent a material weakness:

- County employees responsible for preparing forms to assist in the preparation of the Schedule of Expenditures of Federal Awards (SEFA) have not received adequate training to ensure the information recorded is accurate.
- The County lacks internal controls that ensure federal expenditures recorded in the accounting records are reconciled to and accurately reported in the SEFA.
- The County has not taken prompt, corrective action on prior audit findings to allow it to prepare appropriate financial statements to accompany the SEFA as required by federal regulations. Additional information related to the material weaknesses identified in the preparation of the County's

financial statements can be found in a separate report issued by our Office dated October 5, 2016.

- The County does not have monitoring controls for the review of the SEFA to ensure significant errors or inconsistencies are detected and resolved prior to submission.

Cause of Condition

The County has only been able to prepare materially accurate financial statements in five of the last 11 years. The County contracted with the Governmental Finance Officers Association and State Auditor's Office Local Government Performance Center to assist with improvements to its internal controls in 2014. However, the County still has not been able to design and establish controls to prevent significant errors in its financial statements and SEFA.

Many department employees responsible for completing the County's Year End Grant Form prepared them incorrectly. The forms were not supported by the underlying accounting records and the SEFA was incorrectly prepared using a mixture of revenues, expenditures total award amounts and estimates.

Effect of Condition

Audit procedures identified the following:

- The County's SEFA contained errors in nine of the 16 grants reported resulting in a net over-statement of federal expenditures by \$48,904.
- All grant expenditures were originally reported as direct awards when almost 100 percent of the federal expenditures were from pass-through agencies.
- We also noted other less significant errors such as inaccurate Catalog of Federal Domestic Assistance numbers, granting agencies and amounts passed to subrecipients, and missing footnote disclosures.

These errors were corrected in the final schedule included in our report.

As a result of the delayed audit process, the County missed its federal single audit deadline.

Recommendations

We recommend the County continue its efforts to improve its processes and control structure by performing the following:

- Ensure employees responsible for completing year end grant forms are properly trained in the use of the form.
- Ensure the SEFA is prepared based on federal expenditures and is supported by the underlying accounting records.
- Take action to resolve prior audit findings so accurate financial statements can be prepared as required by federal regulations.
- Provide appropriate resources to review the SEFA and footnote disclosures to ensure accurate and timely reporting.

County's Response

The Whitman County Auditor agrees with all of the charges as stated in this report, and the recommendations given.

We have changed and added personnel in the Auditor's Finance Division. We now have on board a Finance Administrator with years of experience in government accounting at the city and county levels, years of experience working in the SAO's BARS, including year-end reporting, and a history of training and working well with diverse departments and their accounting liaisons. We have also, for the first time since 2010, been able to fill the position of Assistant to the Finance Administrator. In the few weeks that these individuals have been at the county, major improvements have been made or started.

We will return to proper forms to be used for year-end grant reporting and will work with the county departments to assure their proper use.

With our new experienced and dedicated staff in the Financial Administration Division, we will ensure that the SEFA is prepared based on federal expenditures and is supported by the underlying accounting records; that accurate financial statements will be prepared; and that resources to review the SEFA and footnote disclosures will be provided.

Auditor's Remarks

We thank the County for its cooperation and assistance during the audit and acknowledge its commitment to improving the condition described. We will review the status of this issue during our next audit.

Applicable Laws and Regulations

Government Auditing Standards, December 2011 Revision, paragraph 4.23 states:

4.23 When performing GAGAS financial audits, auditors should communicate in the report on internal control over financial reporting and compliance, based upon the work performed, (1) significant deficiencies and material weaknesses in internal control; (2) instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the audit and any other instances that warrant the attention of those charged with governance; (3) noncompliance with provisions of contracts or grant agreements that has a material effect on the audit; and (4) abuse that has a material effect on the audit.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 265, as follows:

.07 For purposes of generally accepted auditing standards, the following terms have the meanings attributed as follows:

Material weakness. A deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Significant deficiency. 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.

RCW 43.09.200 Local government accounting – Uniform system of accounting, states in part:

The state auditor shall formulate, prescribe, and install a system of accounting and reporting for all local governments, which shall be uniform for every public institution, and every public office, and every public account of the same class.

Budgeting, Accounting and Reporting System (BARS) Manual, Accounting, Accounting Principles and General Procedures, Internal Control, states:

Internal control is a management process for keeping an entity on course in achieving its business objectives, as adopted by the governing body. This management control system should ensure that resources are guarded against waste, loss and misuse; that reliable data is obtained, maintained, and fairly disclosed in financial statement and other reports; and resource use is consistent with laws, regulations and policies.

Title 2 *U.S. Code of Federal Regulations (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the following:

Section 200.508 Auditee responsibilities. The auditee must:

- (a) Procure or otherwise arrange for the audit required by this part in accordance with §200.509 Auditor selection, and ensure it is properly performed and submitted when due in accordance with §200.512 Report submission.
- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §200.510 Financial statements.
- (c) Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with §200.511 Audit findings follow-up, paragraph (b) and §200.511 Audit findings follow-up, paragraph (c), respectively.
- (d) Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this part.

Section 200.510 Financial statements states in part:

- (a) *Financial statements.* The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. The financial statements must be for the same organizational unit and

fiscal year that is chosen to meet the requirements of this part. However, non-Federal entity-wide financial statements may also include departments, agencies, and other organizational units that have separate audits in accordance with §200.514 Scope of audit, paragraph (a) and prepare separate financial statements.

(b) *Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined accordance with §200.502 Basis for determining Federal awards expended.

Section 200.512 Report submission states in part:

(a) *General.* (1) The audit must be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day.

**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**

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

Board of Commissioners
Whitman County
Colfax, 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 Schedule of Expenditures of Federal Awards of Whitman County, Washington, as of and for the year ended December 31, 2015, and the related notes to the schedule and have issued our report thereon dated October 5, 2016.

We issued an unmodified opinion on the fair presentation of the County's schedule 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 schedule is 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 schedule 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 schedule, 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 schedule, 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 County's schedule 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses related to the schedule. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings and Responses as Finding 2015-001 that we consider to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's schedule is 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 schedule 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*.

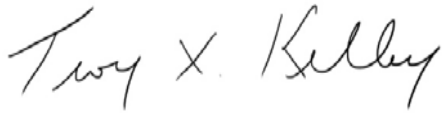
COUNTY'S RESPONSE TO FINDINGS

The County's response to the findings identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. The County's response was not subjected to the auditing procedures applied in the audit of the schedule and, accordingly, we express no opinion on the response.

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 cursive script that reads "Troy X. Kelley". The signature is written in dark ink and is positioned above the printed name.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

October 5, 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**

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

Board of Commissioners
Whitman County
Colfax, Washington

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

We have audited the compliance of Whitman 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.

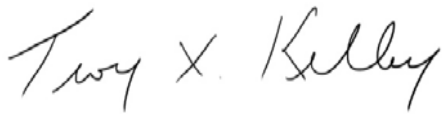
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

October 5, 2016

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Whitman County January 1, 2015 through December 31, 2015

Board of Commissioners
Whitman County
Colfax, Washington

REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the accompanying Schedule of Expenditures of Federal Awards of Whitman County, Washington, for the year ended December 31, 2015, and the related notes (the schedule).

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule 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 schedule in the circumstances. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of the schedule that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these schedule 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; and 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 the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, 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 schedule 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 schedule.

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, Whitman County has prepared this schedule 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 Schedule of Expenditures of Federal Awards referred to above present fairly, in all material respects, the expenditures of federal awards of Whitman 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 schedule, intended for general use, in accordance with GAAP. The effects on the schedule 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 schedule are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

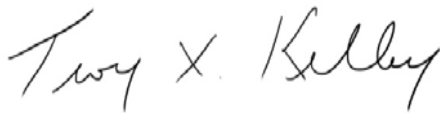
The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the expenditures of federal awards of Whitman County, as of December 31, 2015 due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

We were engaged to audit the financial statements of Whitman County as of and for the year ended December 31, 2015, and our report thereon, dated October 5, 2016, expressed a disclaimer of opinion on those financial statements.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 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

October 5, 2016

FINANCIAL SECTION

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

SCHEDULE

Schedule of Expenditures of Federal Awards – 2015

Notes to the Schedule of Expenditures of Federal Awards – 2015

Whitman 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	Passed through to Subrecipients	
Food And Nutrition Service, Department Of Agriculture (via Washington State Dept. of Health)	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C17133	139,121	-	-	1,2,4
Food And Nutrition Service, Department Of Agriculture (via Washington State Dept. of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C17133	78	-	-	1,2,4
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Dept. of Commerce)	Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	15-62210-016	103,811	-	-	1,2
Violence Against Women Office, Department Of Justice (via Washington State Dept. of Commerce)	Violence Against Women Formula Grants	16.588	F14-31103-035	21,943	-	-	1,2,4
Bureau Of Justice Assistance, Department Of Justice	Bulletproof Vest Partnership Program	16.607	N/A	-	2,054	-	1,2
Bureau Of Justice Assistance, Department Of Justice (via Washington State Dept. of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M15-31440-018	163,677	-	33,742	1,2,4,5
Highway Planning and Construction Cluster							
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Dept. of Transportation)	Highway Planning and Construction	20.205	LA- 807717295/8693/8 720/7492	1,847,736	-	-	1,2,4
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Dept. of Transportation)	Highway Planning and Construction	20.205	SB WA05(004)	5,522	-	-	1,2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Dept. of Transportation)	Highway Planning and Construction	20.205	SB WA06(10)	10,806	-	-	1,2

Total Highway Planning and Construction Cluster:					1,864,064	-	1,864,064	-
Highway Safety Cluster								
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington State Traffic Safety Comm.)	State and Community Highway Safety	20.600	N/A		1,687	-	1,687	1,2
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington State Traffic Safety Comm.)	State and Community Highway Safety	20.600	N/A		1,021	-	1,021	1,2
Total Highway Safety Cluster:					2,707	-	2,707	-
U.s. Election Assistance Commission (via Washington State Sec. of State)	Help America Vote Act Requirements Payments	90.401	G-2862		16,092	-	16,092	1,2,4,6
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Dept. of Health)	Public Health Emergency Preparedness	93.069	C-17133		13,675	-	13,675	1,2,4
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Dept. of Health)	Immunization Cooperative Agreements	93.268	C-17133		8,613	-	8,613	1,2,4
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Dept. of Health)	Immunization Cooperative Agreements	93.268	C-17133		9,412	-	9,412	3
Total CFDA 93.268:					18,025	-	18,025	-
Administration For Children And Families, Department Of Health And Human Services (via Washington State Dept. of Health)	Child Support Enforcement	93.563	75-1501-0-1-609		79,103	-	79,103	1,2,4
Administration For Children And Families, Department Of Health And Human Services (via Washington State Dept. of Health)	Child Support Enforcement	93.563	75-1501-0-1-609		17,996	-	17,996	1,2
Total CFDA 93.563:					97,099	-	97,099	-
Medicaid Cluster								

The accompanying notes are an integral part of this schedule.

Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Washington State Healthcare Auth.)	Medical Assistance Program	93.778	C17133	3,283	-	3,283	-	1,2,4
Total Medicaid Cluster:				3,283	-	3,283	-	
Health Resources And Services Administration, Department Of Health And Human Services (via Washington State Dept. of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C17133	37,508	-	37,508	-	1,2,4
Department Of Homeland Security (via Washington State Park and Rec. Assoc.)	Boating Safety Financial Assistance	97.012	N/A	16,043	-	16,043	-	1,2
Department Of Homeland Security (via Washington State Military Dept.)	Emergency Management Performance Grants	97.042	E16-134	38,793	-	38,793	-	1,2,7
Total Federal Awards Expended:				2,535,919	2,054	2,537,973	33,742	

Whitman 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 the county's financial statements. The county uses the cash basis method 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 the 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 3 – Noncash Awards - Vaccinations
The amount of vaccine reported on the schedule is the value of vaccine received by the county during current year and priced as prescribed by the county Health Officer.
- Note 4 – Indirect Cost Rate
The county has elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.
- Note 5 – Amounts Awarded to Sub-Recipients
Included in the total amount for this program is \$33,742 that was passed through to a sub-recipient that administered its own project.
- Note 6 – Multiple Year Expenditures Reported
The County was approved by The U.S. Election Assistance Commission (EAC) passing through Washington State Secretary of State to receive reimbursement for 2013, 2014 and 2015 grant expenditures in 2015.
- Note 7 – Multiple Year Expenditure Report
The County did not report \$5,606 on the 2014 SEFA, so included the amount on the 2015 SEFA.

CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Whitman County January 1, 2015 through December 31, 2015

This schedule presents the corrective action planned by the auditee for findings reported in this report 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). The information in this schedule is the representation of the County.

Finding ref number: 2015-001	Finding caption: The County did not have adequate internal controls in place to ensure accurate reporting of its Schedule of Expenditures of Federal Awards.
Name, address, and telephone of auditee contact person: Eunice L. Coker P.O. Box 350, Colfax, WA 99111 (509) 397-5272	
Corrective action the auditee plans to take in response to the finding: <p><i>The Whitman County Auditor agrees with all of the charges as stated in this report, and the recommendations given.</i></p> <p><i>We have changed and added personnel in the Auditor's Finance Division. We now have on board a Finance Administrator with years of experience in government accounting at the city and county levels, years of experience working in the SAO's BARS, including year-end reporting, and a history of training and working well with diverse departments and their accounting liaisons. We have also, for the first time since 2010, been able to fill the position of Assistant to the Finance Administrator. In the few weeks that these individuals have been at the county, major improvements have been made or started.</i></p> <p><i>We will return to proper forms to be used for year-end grant reporting and will work with the county departments to assure their proper use.</i></p> <p><i>With our new experienced and dedicated staff in the Financial Administration Division, we will ensure that the SEFA is prepared based on federal expenditures and is supported by the underlying accounting records; that accurate financial statements will be prepared; and that resources to review the SEFA and footnote disclosures will be provided.</i></p>	
Anticipated date to complete the corrective action: 12/31/2016	

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

Contact information for the State Auditor's Office	
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