



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Stevens County

For the period January 1, 2016 through December 31, 2016

Published March 5, 2018

Report No. 1020688





Office of the Washington State Auditor
Pat McCarthy

March 5, 2018

Board of Commissioners
Stevens County
Colville, Washington

Report on Financial Statements

Please find attached our report on Stevens County's financial statements.

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

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy
State Auditor
Olympia, WA

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SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Stevens County January 1, 2016 through December 31, 2016

2016-001 The County's internal controls over financial statement preparation were inadequate to ensure accurate reporting.

Background

The County is 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 hindered the County's ability to produce reliable financial statements.

All local governments in Washington that spend federal funds must prepare a Schedule of Expenditures of Federal Awards (SEFA) as part of the annual financial report. Title 2 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires grantees to identify, in their accounts, all Federal program awards received and expended and to report all federal awards expended on the SEFA each fiscal year.

The prior seven audits identified control deficiencies in the financial statement preparation process that we reported to management.

Description of Condition

During the current audit, we identified the following deficiencies in internal controls that, when taken together, represent a significant deficiency:

- Employees responsible for preparing the financial statements lacked the technical knowledge of reporting requirements prescribed in the *Budgeting, Accounting and Reporting System (BARS) Manual*.
- The County did not have controls in place to ensure that financial activity recorded in its accounting records was complete and accurate.
- Although the County has a process for reviewing the prepared financial statements, notes and required schedules, the review was not effective to detect and correct errors before the annual financial report was submitted for audit.

- The County's internal control process for preparing and reviewing the SEFA was not effective.

Cause of Condition

The County has taken steps to address some concerns noted during prior audits; however, it has not fully developed internal controls to ensure complete and accurate reporting of its financial statements, notes and required schedules. The County must prepare and submit an annual financial report each year, but it has not developed a proper timeline and dedicated the necessary resources to ensure the financial statements, notes and required schedules are prepared promptly, completely and accurately.

Although the County's control process provides for the Finance/Human Resources Director to review the annual financial report after it is prepared by the County Auditor, the control process does not provide enough follow-up time to ensure all errors identified during the initial review are corrected before the annual report is filed.

The County's established controls for SEFA preparation assume the grant information provided by departments to the County Auditor is accurate without proper monitoring and review controls. We found one department misunderstood the requirements of a client services agreement it received and reported the related expenditures to the County Auditor as federal expenditures, which were reported on the SEFA.

Effect of Condition

Inaccurate financial reports limit access to financial information used by County officials, the public, state and federal agencies, and other interested parties. As a result of the control deficiencies and effects identified below, the County paid additional costs for the audit to determine the County did not require a federal single audit, and these conditions delayed the audit process. We noted:

- The SEFA included expenditures for client service agreements as federal grant expenditures, causing an overstatement of the SEFA by \$5,156,103. Because of this error, the County did not require a federal single audit.
- Incorrect classification of client service agreements as federal grant revenue in the NEW Alliance Counseling Fund caused intergovernmental revenues to be overstated and charges for goods and services revenues to be understated, both by \$5,156,103.
- Incorrect reporting of financial activity in the Health Insurance Fund caused expenditures to be understated by \$50,000.

- Incorrect disclosure of pension assets in the Notes to the Financial Statements resulted in an overstatement of \$266,710.
- Incorrect disclosure of budgeted and actual expenditures in the Notes to the Financial Statements resulted in understatements of \$780,700 and \$875,213, respectively.
- Revenues reported in the Schedule of Cash Activity were overstated by \$24,592,374, causing errors and inefficiencies during our reconciliation of the County's cash and investment accounts.

Other less significant errors were also identified in the financial statements and notes. All identified errors were subsequently corrected by the County.

Recommendations

We recommend the County:

- Provide adequate training to employees responsible for financial reporting to ensure compliance with reporting requirements
- Continue to develop its monitoring control to ensure the financial statements, notes and required schedules are complete and accurate
- Provide adequate time and resources to allow a detailed review of the financial statements, notes and required schedules before filing the annual financial report
- Improve the SEFA preparation process to ensure the schedule is accurately prepared in accordance with Uniform Guidance and BARS Manual guidance

County's Response

Thank you for the opportunity to respond to the results of the 2017 Stevens County Audit. In your audit report, the following is noted:

Incorrect classification of client service agreements as federal grant revenue in the NEW Alliance Counseling Fund caused intergovernmental revenues to be overstated and charges for goods and services revenues to be understated, both by \$5,156,103.

In response, we note that this coding error in no way affected our department's bottom line or any change in fund balance. There was, in fact, no material misrepresentation of our department's revenues, expenditures, or fund balance. The coding error, while a mistake, had the net result only of moving this revenue

source from the 330 series to the 340 series. The error was a misclassification of revenues but did not impact our bottom line financial reporting. We do understand the misclassification impacted our grant reporting and caused the SAO to have us scheduled for a single audit when, in fact, we did not meet the criteria. We believe, however, that omitting a grant on the schedule would have been a much larger misstatement than having to remove one. Consequently, we do not believe this this miscoding error should even constitute a “finding.” As soon as the coding error was identified, it was immediately corrected—resulting in proper classification, but still having no overall impact on our financial statements.

Additionally,

- The County will send employees preparing the report to the BARS classes offered on reporting.*
- The County will continue to develop and implement policies and procedures to assure proper checks and balances of all our grants and funds.*
- The County will strive to have the report completed early enough to allow time to be reviewed once and a final review before submission of the report.*
- The County will have each fund/department with grants review the BARS coding and the SEFA report before it is submitted.*

Auditor’s Remarks

We wish to thank the County’s staff and management for their cooperation and assistance during the audit. When errors or misstatements are identified in the financial statements, notes and supplemental schedules, auditing standards require auditors to evaluate these items both individually and in the aggregate. The SEFA misstatement and related coding errors were material to the financial statements and supplemental schedules, but were also evaluated in the aggregate with the other errors and misstatements identified in the audit. We reaffirm our finding and look forward to reviewing the County’s corrective action during the next audit.

Applicable Laws and Regulations

Government Auditing Standards, December 2011 Revision, paragraph 4.23 establishes reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud or abuse, and noncompliance with provisions of law, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.09.200, Local government accounting – Uniform system of accounting

Budgeting, Accounting and Reporting System (BARS) Manual, 3.1.3, Internal Control describes the responsibilities of governments and their management regarding internal controls.

**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**

**Stevens County
January 1, 2016 through December 31, 2016**

Board of Commissioners
Stevens County
Colville, 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 Stevens County, Washington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated December 19, 2017.

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 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 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings and Responses as Finding 2016-001 that we consider to be a significant deficiency.

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*.

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 financial statements 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 black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy
State Auditor
Olympia, WA

December 19, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Stevens County January 1, 2016 through December 31, 2016

Board of Commissioners
Stevens County
Colville, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Stevens County, Washington, for the year ended December 31, 2016, 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, Stevens 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 Stevens County, for the year ended December 31, 2016, 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 Stevens County, as of December 31, 2016, 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 Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is 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 December 19, 2017 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.



Pat McCarthy

State Auditor

Olympia, WA

December 19, 2017

FINANCIAL SECTION

Stevens County January 1, 2016 through December 31, 2016

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2016
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2016
Notes to Financial Statements – 2016

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2016

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		Total for All Funds (Memo Only)	001 CURRENT EXPENSE	106 PERFORMING ARTS TOURISM	107 CRIME VICTIMS AND WITNESS FUND
Beginning Cash and Investments					
30810	Reserved	15,809,727	39,197	42,612	80,654
30880	Unreserved	4,351,579	3,298,259	-	-
388 / 588	Prior Period Adjustments, Net	(1,699)	-	-	-
Revenues					
310	Taxes	16,482,410	9,385,247	38,746	-
320	Licenses and Permits	427,643	420,626	-	-
330	Intergovernmental Revenues	14,596,012	4,095,941	-	-
340	Charges for Goods and Services	16,974,826	1,781,530	-	25,196
350	Fines and Penalties	542,690	536,815	-	-
360	Miscellaneous Revenues	3,663,213	681,356	2	-
Total Revenues:		52,686,794	16,901,515	38,748	25,196
Expenditures					
510	General Government	9,983,557	7,418,554	-	4,590
520	Public Safety	8,317,610	6,245,563	-	-
530	Utilities	1,574,851	-	-	-
540	Transportation	12,759,793	-	-	-
550	Natural and Economic Environment	1,543,580	1,088,286	-	-
560	Social Services	7,656,969	664,916	-	-
570	Culture and Recreation	501,304	395,425	8,750	-
Total Expenditures:		42,337,664	15,812,744	8,750	4,590
Excess (Deficiency) Revenues over Expenditures:		10,349,130	1,088,771	29,998	20,606
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	14,318	-	-	-
397	Transfers-In	1,395,497	366,891	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	405,220	5,476	-	-
381, 395, 398	Other Resources	81,443	6,827	-	-
Total Other Increases in Fund Resources:		1,896,478	379,194	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	6,676,783	53,681	-	-
591-593, 599	Debt Service	712,939	-	-	-
597	Transfers-Out	1,395,497	783,382	25,000	20,000
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	562,014	11,204	-	-
581	Other Uses	46,495	-	-	-
Total Other Decreases in Fund Resources:		9,393,728	848,267	25,000	20,000
Increase (Decrease) in Cash and Investments:		2,851,880	619,698	4,998	606
Ending Cash and Investments					
5081000	Reserved	17,668,888	24,151	47,610	81,260
5088000	Unreserved	5,342,599	3,933,003	-	-
Total Ending Cash and Investments		23,011,487	3,957,154	47,610	81,260

The accompanying notes are an integral part of this statement.

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		110 ROAD FUND	115 PATHS AND TRAILS	121 HOMELESSNES S	122 NEW ALLIANCE COUNSELING
Beginning Cash and Investments					
30810	Reserved	4,916,744	261,129	472,563	2,954,606
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	(1,500)
Revenues					
310	Taxes	5,670,405	-	-	123,078
320	Licenses and Permits	7,017	-	-	-
330	Intergovernmental Revenues	7,668,489	18,944	-	2,137,411
340	Charges for Goods and Services	51,398	-	213,298	5,435,345
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	38,456	-	-	47,549
Total Revenues:		13,435,765	18,944	213,298	7,743,383
Expenditures					
510	General Government	45,620	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	8,793,922	-	-	-
550	Natural and Economic Environment	-	-	-	39,768
560	Social Services	-	-	154,204	6,810,957
570	Culture and Recreation	-	-	-	-
Total Expenditures:		8,839,542	-	154,204	6,850,725
Excess (Deficiency) Revenues over Expenditures:		4,596,223	18,944	59,094	892,658
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	14,318
397	Transfers-In	50,000	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	7,156	-	-	6,198
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		57,156	-	-	20,516
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,560,503	-	-	39,023
591-593, 599	Debt Service	-	-	-	41,779
597	Transfers-Out	-	50,000	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	7,114	-	-	11,870
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		3,567,617	50,000	-	92,672
Increase (Decrease) in Cash and Investments:		1,085,762	(31,056)	59,094	820,502
Ending Cash and Investments					
5081000	Reserved	6,002,506	230,073	531,657	3,773,608
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		6,002,506	230,073	531,657	3,773,608

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		123 VERY LOW INCOME HOUSING	124 VETERANS RELIEF FUND	125 LAW LIBRARY	126 AUDITORS O&M FUND
Beginning Cash and Investments					
30810	Reserved	99,522	51,559	18,386	91,599
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	45,946	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	50,965
340	Charges for Goods and Services	42,177	-	11,694	26,898
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	160	-	-
Total Revenues:		42,177	46,106	11,694	77,863
Expenditures					
510	General Government	-	-	-	48,023
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	66,834	-	-	-
560	Social Services	-	26,892	-	-
570	Culture and Recreation	-	-	13,729	-
Total Expenditures:		66,834	26,892	13,729	48,023
Excess (Deficiency) Revenues over Expenditures:		(24,657)	19,214	(2,035)	29,840
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	30,000
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	30,000
Increase (Decrease) in Cash and Investments:		(24,657)	19,214	(2,035)	(160)
Ending Cash and Investments					
5081000	Reserved	74,865	70,773	16,351	91,439
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		74,865	70,773	16,351	91,439

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		128 NORTHEAST WASHINGTON	129 TREASURERS O&M	130 WEED CONTROL	131 LITTLE P. O. LAKE MNGT - 2013-801
Beginning Cash and Investments					
30810	Reserved	-	60,818	191,777	21,945
30880	Unreserved	8,250	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	38,549	-	-	-
340	Charges for Goods and Services	30,903	52,680	3,463	-
350	Fines and Penalties	-	-	-	307
360	Miscellaneous Revenues	11,923	-	158,808	84,844
Total Revenues:		81,375	52,680	162,271	85,151
Expenditures					
510	General Government	-	24,279	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	201,982	62,417
560	Social Services	-	-	-	-
570	Culture and Recreation	83,400	-	-	-
Total Expenditures:		83,400	24,279	201,982	62,417
Excess (Deficiency) Revenues over Expenditures:		(2,025)	28,401	(39,711)	22,734
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	7,097	-	23	12,038
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		7,097	-	23	12,038
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	11,240	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	6,500	-	23	12,038
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		6,500	11,240	23	12,038
Increase (Decrease) in Cash and Investments:		(1,428)	17,161	(39,711)	22,734
Ending Cash and Investments					
5081000	Reserved	-	77,979	152,066	44,679
5088000	Unreserved	6,822	-	-	-
Total Ending Cash and Investments		6,822	77,979	152,066	44,679

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		133 FAMILY LAW COURT FACILITATOR	136 LOON LAKE MNGT DIST 2-2008	137 LITTLE PO LK MNGT DIST 1-2008	138 DEER LAKE MNGT DIST #1- 2011
Beginning Cash and Investments					
30810	Reserved	15,834	155	112	10,473
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	5,007	-	-	-
350	Fines and Penalties	-	10	9	167
360	Miscellaneous Revenues	-	131	111	30,055
Total Revenues:		5,007	141	120	30,222
Expenditures					
510	General Government	13,453	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	296	232	40,615
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		13,453	296	232	40,615
Excess (Deficiency) Revenues over Expenditures:		(8,446)	(155)	(112)	(10,393)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	16,150	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		16,150	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		7,704	(155)	(112)	(10,393)
Ending Cash and Investments					
5081000	Reserved	23,538	-	-	80
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		23,538	-	-	80

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		139 GUARDIAN FACILITATOR	140 DRUG INVESTIGATION FUND	141 SHERIFF STATE DRUG FORFEITURE	142 SHERIFF FEDERAL DRUG
Beginning Cash and Investments					
30810	Reserved	-	154,604	38,779	81,706
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	40	-	-	-
350	Fines and Penalties	-	5,382	-	-
360	Miscellaneous Revenues	-	-	4,851	37
Total Revenues:		40	5,382	4,851	37
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	3,302	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	3,302	-	-
Excess (Deficiency) Revenues over Expenditures:		40	2,080	4,851	37
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	2,000	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		2,000	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		2,040	2,080	4,851	37
Ending Cash and Investments					
5081000	Reserved	40	156,684	43,630	81,743
5088000	Unreserved	2,000	-	-	-
Total Ending Cash and Investments		2,040	156,684	43,630	81,743

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		145 EMERGENCY COMMUNICATI	150 INMATE WELFARE FUND	155 COUNTY VEHICLE REPLACEMENT	160 TRIAL COURT IMPROVEMENT
Beginning Cash and Investments					
30810	Reserved	-	8,028	26,816	78,397
30880	Unreserved	310,944	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	392,975	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	317,402	-	-	22,669
340	Charges for Goods and Services	813,061	7,842	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	37,181	2,068	-	-
Total Revenues:		1,560,619	9,910	-	22,669
Expenditures					
510	General Government	-	-	-	1,467
520	Public Safety	1,277,054	2,235	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		1,277,054	2,235	-	1,467
Excess (Deficiency) Revenues over Expenditures:		283,565	7,675	-	21,202
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	250,000	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	6,672	293	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		6,672	293	250,000	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	232,865	-
591-593, 599	Debt Service	3,356	-	-	-
597	Transfers-Out	66,703	-	-	2,000
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	6,672	293	-	-
581	Other Uses	46,495	-	-	-
Total Other Decreases in Fund Resources:		123,226	293	232,865	2,000
Increase (Decrease) in Cash and Investments:		167,011	7,675	17,135	19,202
Ending Cash and Investments					
5081000	Reserved	-	15,703	43,951	97,599
5088000	Unreserved	477,955	-	-	-
Total Ending Cash and Investments		477,955	15,703	43,951	97,599

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		165 REET ELECTRONIC TECHNOLOGY	201 CURRENT EXPENSE GO BOND	305 GENERAL CAPITAL PROJECTS	306 PUBLIC FACILITIES (REF 49)
Beginning Cash and Investments					
30810	Reserved	43,970	55,837	459,762	464,483
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	392,098	433,915
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	11,189	-	-	-
340	Charges for Goods and Services	-	18,399	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	86	-	-
Total Revenues:		11,189	18,485	392,098	433,915
Expenditures					
510	General Government	-	-	-	2,500
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	43,150
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	45,650
Excess (Deficiency) Revenues over Expenditures:		11,189	18,485	392,098	388,265
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	510,456	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	510,456	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	105,676	6,976
591-593, 599	Debt Service	-	523,721	-	-
597	Transfers-Out	-	-	161,593	213,948
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	523,721	267,269	220,924
Increase (Decrease) in Cash and Investments:		11,189	5,220	124,829	167,341
Ending Cash and Investments					
5081000	Reserved	55,159	31,263	584,591	631,824
5088000	Unreserved	-	29,794	-	-
Total Ending Cash and Investments		55,159	61,057	584,591	631,824

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		405 SHERIFFS AMBULANCE FUND	410 SOLID WASTE	501 EQUIPMENT RENTAL &	510 INFORMATION SERVICES
Beginning Cash and Investments					
30810	Reserved	423,164	4,161,404	-	-
30880	Unreserved	-	-	492,010	211,122
388 / 588	Prior Period Adjustments, Net	-	(199)	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	1,290	233,163	-	-
340	Charges for Goods and Services	763,235	2,318,716	2,611,742	1,890,039
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	14,653	24,984	2,525,984	-
Total Revenues:		779,178	2,576,863	5,137,726	1,890,039
Expenditures					
510	General Government	-	-	-	1,566,767
520	Public Safety	789,456	-	-	-
530	Utilities	-	1,574,851	-	-
540	Transportation	-	-	3,965,871	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		789,456	1,574,851	3,965,871	1,566,767
Excess (Deficiency) Revenues over Expenditures:		(10,278)	1,002,012	1,171,855	323,272
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	6,465	348,202	342	258
381, 395, 398	Other Resources	-	74,116	500	-
Total Other Increases in Fund Resources:		6,465	422,318	842	258
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	1,314,176	864,255	499,628
591-593, 599	Debt Service	-	144,083	-	-
597	Transfers-Out	31,631	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	11,126	347,749	5,877	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		42,757	1,806,008	870,132	499,628
Increase (Decrease) in Cash and Investments:		(46,570)	(381,678)	302,565	(176,098)
Ending Cash and Investments					
5081000	Reserved	376,594	3,779,527	-	-
5088000	Unreserved	-	-	794,575	35,024
Total Ending Cash and Investments		376,594	3,779,527	794,575	35,024

Stevens County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		520 INSURANCE SERVICE FUND	530 HEALTH INSURANCE FUND
Beginning Cash and Investments			
30810	Reserved	483,092	-
30880	Unreserved	30,994	-
388 / 588	Prior Period Adjustments, Net	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	872,163	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	(26)
Total Revenues:		872,163	(26)
Expenditures			
510	General Government	858,304	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		858,304	-
Excess (Deficiency) Revenues over Expenditures:		13,859	(26)
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	200,000
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	5,000	-
381, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		5,000	200,000
Other Decreases in Fund Resources			
594-595	Capital Expenditures	-	-
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	5,000	136,548
581	Other Uses	-	-
Total Other Decreases in Fund Resources:		5,000	136,548
Increase (Decrease) in Cash and Investments:		13,859	63,426
Ending Cash and Investments			
5081000	Reserved	527,945	-
5088000	Unreserved	-	63,426
Total Ending Cash and Investments		527,945	63,426

Stevens County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2016

		Total for All Funds (Memo Only)	621 GENERAL TRUST ACCOUNTS	631 COUNTY TAX REFUND	675 CITY REMITTANCE
308	Beginning Cash and Investments	907,703	389,297	16	12,823
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	10	10	-	-
380-390	Other Increases and Financing Sources	19,812,340	5,738,409	-	1,880,823
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	19,911,001	5,853,458	-	1,874,657
	Net Increase (Decrease) in Cash and Investments:	(98,651)	(115,039)	-	6,166
508	Ending Cash and Investments	809,052	274,258	16	18,989

		695 ADVANCE TAXES	697 STATE REMITTANCE FUND	698 TAX COLLECTION SUSPENSE	699 TREASURERS TRUST FUND
308	Beginning Cash and Investments	4,635	184,439	25,702	290,791
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	-	-	-	-
380-390	Other Increases and Financing Sources	(2,228)	12,041,441	8,640	145,255
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	-	12,076,690	-	106,196
	Net Increase (Decrease) in Cash and Investments:	(2,228)	(35,249)	8,640	39,059
508	Ending Cash and Investments	2,407	149,190	34,342	329,850

The accompanying notes are an integral part of this statement.

STEVENS COUNTY

NOTES TO FINANCIAL STATEMENTS January 1, 2016 to December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Stevens County was incorporated on January 20, 1863 from Walla Walla County, with the boundaries lying west of the present county and operates under the laws of the state of Washington applicable to a county government. Stevens County was named after Issac Stevens, Washington's first territorial governor. At the time Stevens County consisted of most of Eastern Washington making it one of Washington's largest counties. On January 19, 1864 the County of Spokane was annexed from Stevens County by the Legislative Assembly of the Territory of Washington. The County is a general-purpose government and provides the following services to its constituents: general-purpose government, security of persons and property, physical environment, transportation, economic development, mental and physical health and culture and recreation and is supported primarily through local taxes, federal and state resources, fines and fees for services.

Stevens 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 the Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

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

A. **Fund Accounting**

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government'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 fund types 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.

Debt Service Funds

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

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.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for the purposes that support programs for the benefit of the government or its citizenry.

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 and 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 a trustee capacity or as an agent on behalf of others.

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds

These funds are used to account assets that the County holds for 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.

As allowed by state law the County also recognizes expenditures paid during the thirty 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 presented on statement C-4. These budgets are appropriated at the fund level except the 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 those 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 Under (Over)
Current Expense:			
Gen. Gov.	\$ 923,940	\$ 915,017	\$ 8,923
Accumulated Emp. Sev.	115,000	19,595	95,405
Assessor	872,000	862,071	9,929
Auditor	583,700	570,870	12,830
CASA	160,300	160,975	(675)
Clerk – S.C.	372,138	371,138	1,000
Commissioners	595,940	590,185	5,755
Coroner	160,161	150,706	9,455
District Court	671,900	619,949	51,951
Elections	354,900	350,247	4,653
Emergency Management	182,200	127,075	55,125
WSU Extension	179,903	187,238	(7,335)
Facilities	530,500	527,573	2,927
Fairgrounds Facilities	214,135	209,737	4,398
Finance & Human Resources	115,000	107,073	7,927
Indigent Legal Defense	518,812	508,271	10,541
Juvenile	935,520	889,161	46,359
LEOFF Retirement	50,000	39,793	10,207
Land Service	1,520,342	995,234	525,108
Martin Hall Bond Payments	320,000	317,232	2,768
Prosecutor/Child Support	1,392,930	1,318,598	74,332
Public Health	514,210	514,210	0
Sheriff	4,042,464	3,882,207	160,257
Sheriff Jail	1,446,722	1,402,460	44,262
Superior Court	585,259	570,564	14,695
Treasurer	<u>481,150</u>	<u>453,829</u>	<u>27,321</u>
Total Current Expense	17,839,126	16,661,008	1,178,118
Performing Arts	35,000	33,750	1,250
Crime Victims	25,200	24,590	610
Road	13,559,598	12,407,158	1,152,440
Paths & Trails	50,000	50,000	-
Homelessness	162,239	154,204	8,035
NEW Alliance C.S.	7,765,575	6,943,397	822,178
Low-Income Housing	79,666	66,834	12,832
Veterans Relief	45,500	26,892	18,608
Law Library	18,000	13,729	4,271
Auditor O&M	154,600	78,023	76,577
N.E.W. Fair	91,450	89,900	1,550
Treasurer's O&M	63,200	35,519	27,681
Weed Control	243,760	202,005	41,755
Little P.O. L. M 1-2013	36,100	26,368	9,732
Loon .Lake L. M. 2-2013	60,000	48,087	11,913
Family Law Facilitator	16,414	13,452	2,962
Loon Lake L. M. 2-2008	500	296	204
Little P. O. L. M. 1-2008	500	232	268
Deer Lake L. M. 1-2011	43,500	40,615	2,885
Guardian Facilitator	1,200	-	1,200
Drug Investigation	7,100	3,302	3,798
State Drug Forfeiture	-	-	-
Federal Drug Forfeiture	-	-	-
Emergency Comm.-911	1,500,932	1,400,280	100,652
Inmate Welfare	8,300	2,529	5,771
County Vehicle Replacement	250,000	232,865	17,135
Trial Court Improvement	26,000	3,467	22,533
REET Electronic Technology	15,000	-	15,000
C.E. G.O. Bond	538,627	523,721	14,906
Capital Projects	299,470	267,270	32,200
Public Facilities	266,598	266,574	24
Sheriff's Ambulance	841,562	832,214	9,348
Solid Waste - 1	3,529,918	3,380,859	149,059
Equipment Rental - 2	6,170,798	4,836,003	1,334,795
Informational Service	2,077,600	2,066,394	11,206
Insurance Service	897,102	863,304	33,798
Health Insurance Service	<u>1,000,000</u>	<u>1,011,761</u>	<u>(11,761)</u>
Totals	<u>\$57,720,135</u>	<u>\$52,606,602</u>	<u>\$ 5,113,533</u>

1. Reduced budget and actual due to elimination of transfer between Solid Waste, Landfill Closure and Landfill Post-Closure in the amount of \$74,502
2. Reduced budget by elimination of internal non-revenue and non-expenditures of payroll and benefits in the amount of \$5,850,000.
3. The Health Insurance Service budget was created in 2017 in order to disburse the monthly cost of health insurance in time to the provider. We failed to properly estimate the increased cost of new rates that affected of December payroll. Since this cost is reflected in the other county funds, this cost is reduced by the transfers into this fund.

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the county legislative body.

D. **Cash and Investments**

See Note 2 - *Deposits and Investments*

E. **Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

F. **Compensated Absences**

Vacation leave may be accumulated up to 30 days and is payable upon separation or retirement.

Sick leave may be accumulated up to 150 working days. Upon retirement or death, not separation, an employee will be compensated for up to 24 days of unused sick leave. Certain employment contracts for department heads have additional provisions based on the type of termination. Payments are recognized as expenditures when paid.

G. **Long-Term Debt**

See Note 5 – Debt Service Requirements

H. **RISK MANAGEMENT**

Stevens County is a member of the Washington Rural Counties Insurance Pool (WRCIP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1998, when three counties in the State of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2016 there are eight counties 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, 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 the first \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the \$50,000 self-insured retention. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$50,000 self-insured retention. The program also purchases a Stop Loss Policy with an attachment point of \$ 541,079.

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

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

Members contract to remain in the program for a minimum of one year, and must give notice prior to December 31 before terminating participation the following December 1. The Interlocal Governmental Agreement is renewed automatically each year. Even after termination, a member remains responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental 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 with Clear Risk Solutions, who has been contracted to perform program administration, claims adjustment administration, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the policy year beginning December 1, 2015 and ending December 1, 2016 were \$506,550.64

Stevens County maintains insurance against most normal hazards. Certain departments within the county self-insure the physical damage on their fleet vehicles. However, there are provisions in the policy to cover catastrophic losses should a large group of vehicles and inland marine equipment be lost.

Stevens County, through the Insurance Service Fund, reimburses the State of Washington for all allowable unemployment claims paid out to eligible former employees. The amount disbursed in 2016 for unemployment claims was \$ 45,654. In 2016, \$152,997, representing 1% of each department's payroll, was collected by the Insurance Service Fund. On December 31, 2016 an accumulated reserve for future claims amounted to \$527,945.

Clear Risk Solutions is located at 451 Diamond Drive, Ephrata, WA 98823 and can be contacted at (509) 754-2027 or toll free at (800) 407-2027 to obtain the Washington Rural Counties' Insurance Pool financial statements.

I. Reserved Portion of Ending Cash and Investments

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 the County Legislative authority. 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 the following:

Current Expense Fund (001-999-010) consists of:

State Vessel Registration fees that are dedicated to boating law enforcement that have been received, but not spent as of September 30, 2015 and 2016 in the amount of \$26,007 and \$19,586 respectively

In 2015 WSU Extension Office was awarded \$30,000 from Providence Health Services to fund a portion of a position to coordinate efforts with local farmers and the Hunger Coalition to maximize local food products. The unspent portion as of December 31, 2016 was \$4,565.

Performing Arts & Tourism (106-999-010) \$47,610 reserved by statute related to limited use of Lodging tax proceeds.

Crime Victims & Witness Fund: (107-999-010) \$81,260 reserved by statute related to court fees dedicated to crime victims and witnesses.

Road Fund: (110-999-010) \$6,002,506 reserved by statute related to road construction and maintenance.

Paths & Trails Fund: (115-999-030) \$230,073 reserved by statute to fund pathways for non-vehicle traffic.

Homelessness Fund: (121-999-010) \$531,657 reserved by statute related to recorded document surcharge to relieve homelessness.

N.E.W. Alliance Counseling Services Fund: (122-000-010) \$3,773,608 includes the advanced working capital provided by the Department of Social & Health Services in the amount of \$ 72,153 which is for the statutory requirements for Developmental Disabilities Services.

Very-Low Income Housing Fund: (123-999-010) \$74,865 reserved by statute to provide facilities and assistance for low-income citizens in need of housing. It is funded by recorded document surcharge.

Veteran's Relief Fund: (124-999-010) \$70,773 reserved by statute requiring a portion of real property tax revenue be available to assist honorable discharged veterans in need.

Law Library Fund: (125-999-010) \$16,351 reserved by statute to maintain library of law reference materials. It is funded by required court fees.

Auditor O&M Fund: (126-999-010) \$91,439 reserved by statute to maintain and preserve county documents. It is funded by recorded document surcharges.

Treasurer's O&M Fund: (129-999-010) \$77,979 reserved by statute related to property foreclosure. It is funded by foreclosure fees.

Weed Control Fund: (130-999-010) \$152,066 reserved by statute to address noxious weed control in the county. It is funded by special assessment of property owners. That assessment was reinstated in 2016.

Management Districts for three county lakes were formed to combat the invasion of noxious plants. The lake property owners vote on an annual assessment method, amount and term.

Deer Lake (formed in 2011) (138-999-010)	\$ 80
Little Pend Oreille (formed in 2013) (131-801-010)	23,733
Loon Lake (formed in 2013) (131-802-010)	<u>20,946</u>
Total Reserved	\$ <u>44,759</u>

Family Law Facilitator Fund: (133-999-010) \$23,538 reserved by statute to facilitate the resolution of family law matters. It is funded by required Superior Court fees.

Guardian Facilitator Fund: (135-999-010) \$40 reserved by statute to facilitate the resolution of guardianship matters. It is funded by required Superior Court fees.

Drug Investigation Fund (140-999-010) \$156,684 reserved by state statute and funded by court fees to combat only drug-related crimes.
 State (141-999-010) and Federal Drug Forfeiture (142-999-010) Funds: \$ 43,630 and \$81,743 respectively reserved by statute to address drug specific crime prevention. It is funded by state and federal proceeds from drug related convictions.

Inmate Welfare Fund: (150-999-010) \$15,703 reserved for products and services available to jail inmates.

County Vehicle Replacement Fund: (155-999-010) \$43,951 reserved by County Commissioner action to manage the replacement of vehicles associated with the County Current Expense fund.

Trial Court Improvement Fund: (160-999-010) \$97,599 reserved by statute for the maintenance and improvement of district and superior court operations. It is funded by the state.

R.E.E.T Electronic Technology Fund: (165-999-010) \$55,160 reserved by statute to improve the receipting of state and local real estate excise tax. It is funded by a portion of the real estate excise tax assessments.

Current Expense G.O. Bond Fund: (201-999-040) \$ 31,263 reserved for the principal and interest due on the county's fish hatchery purchase from Washington Department of Fish & Wildlife. The \$31,263 is a fish credit given by the Department for fish provided that exceeded the annual principal and interest payment of \$10,389.

Capital Projects Fund: (305-999-010) \$584,591 reserved by statute for the capital needs of the county. It is funded by a portion of the state real estate excise tax designated only for capital projects.

Public Facilities Fund: (306-999-010) \$631,824 reserved by statute for public facility projects and activities related to county economic development. It is funded by a portion of the state sales tax collections returned to the county.

Sheriff Ambulance (405-999-010) \$376,594 reserved to address capital and vehicle needs of the Ambulance service. It is supported by client fees and grants. No County funds are involved.

Solid Waste (410-999-010) \$2,493,476 reserved to provide for the closing and post-closure costs of county solid waste landfills. The remaining \$1,286,051 is reserved for solid waste operations.

Insurance Service (520-999-010) \$ 527,945 reserved is for possible future cost of the county's self-insured unemployment costs.

The Solid Waste beginning and ending restricted cash include the funds held solely for the closure and post-closure of the current landfill site and their use is restricted solely for those two purposes. The Solid Waste Fund 410, Landfill Closure 412 and Landfill Post Closure 413 have been combined together in the C-4 financial statement. The 2016 activity of the Closure and Post-Closure portion of the Solid Waste Fund is as follows:

	<u>Closure</u>	<u>Post-Closure</u>	<u>Total</u>
Beginning Cash	\$1,447,365	\$907,890	\$2,355,255
Investment Income	9,498	7,726	17,224
Transfers in from S.W.	28,073	46,429	74,502
Loan payment from 911 Emergency Comm.	<u>46,495</u>	<u> - </u>	<u>46,495</u>

Ending Cash	<u>\$1,531,431</u>	<u>\$ 962,045</u>	<u>\$2,493,476</u>
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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 or the Washington Public Deposit Protection Commission. The County's investments are either insured and registered or held by the County or its agent in the County's name.

Investments are reported at cost, per County policy. Investments by type at December 31, 2016 were held as follows:

<u>Type of Investment</u>	<u>County's Own investments</u>	<u>Investments held by county as an agent for other local governments</u>	<u>Total</u>
L.G.I.P.	\$ 21,002,521	\$ 25,924,471	\$ 46,926,992
Pershing Safekeeping	2,655,000	0	2,655,000
U.S. Bank	<u>791,674</u>	<u>0</u>	<u>791,674</u>
Totals	\$ <u>24,449,195</u>	\$ <u>25,924,471</u>	\$ <u>50,373,666</u>

Funds not invested with Local Government Investment Pool (LGIP) are held by Pershing Safekeeping and U.S. Bank. These investment balances do not include 13th month expenditures and maybe more than the ending cash and investments reported in the financial statements.

There was a loan in May of 2012 to the Mary Walker School District in the amount of \$1,184,000 at 4.00% interest to re-finance an existing bond. \$585,000 has been repaid, leaving an outstanding balance of \$784,000. One-half of the interest is paid on June 1st and December 1st and principal is paid on December 1st of each year. The remaining annual County collections will be as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 191,000	\$ 9,858	\$ 200,858
2018	201,000	7,127	208,127
2019	<u>207,000</u>	<u>3,871</u>	<u>210,871</u>
Totals	\$ <u>599,000</u>	\$ <u>20,856</u>	\$ <u>619,856</u>

There was a loan in December of 2014 to the Sprague School District in the amount of \$285,000. Semi-annual principal and interest payments of \$31,728 begin on June 1 2015. The remaining County collections will be as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 56,809	\$ 6,647	\$ 63,456
2018	59,104	4,352	63,456
2019	<u>64,330</u>	<u>1,964</u>	<u>66,294</u>
	\$ <u>180,243</u>	\$ <u>12,963</u>	\$ <u>193,206</u>

There was a loan on May 11, 2016 to the Chewelah School District No. 36 for a voter approved bond to improve the district capital facilities in the amount of \$1,150,000. Interest payments of 1.90%

began on December 1, 2016 and principal and interest payments every six months begin on June 1, 2017 and end on December 1, 2019: The remaining collections will be as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 360,000	\$ 20,482	\$ 380,482
2018	390,000	13,157	403,157
2019	<u>400,000</u>	<u>5,700</u>	<u>405,700</u>
	\$ <u>1,150,000</u>	\$ <u>39,339</u>	\$ <u>1,189,339</u>

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 after tax is levied.

Total for both the County and Road levies can not exceed \$4.05 per \$1,000 of assessed value. No other taxing district within the County could have its levy reduced as a result of the increased levy.

Stevens County's regular tax levy rate for 2016 was \$1.6485699 per \$1,000 on an assessed valuation of \$3,842,011,113 for a total Current Expense, Mental Health and Veterans levy of \$6,333,824. This includes a levy shift from Road to Current Expense in the amount of \$467,843.

The County is also authorized up to \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services (see additional limitation of \$4.05 combined levy).

The County road levy for 2016 was \$1.6507445 per \$1,000 of an assessed valuation of \$3,185,591,716 for a total Road levy of \$5,258,598. This net amount reflects a levy shift from Road to Current Expense in the amount of \$467,843.

In 2015 the County Commissioners re-instated a Noxious Weed Board assessment for the 2016 tax year that was suspended in 2014 for the 2015 tax year. The new assessment consisted of three categories;

Urban – (parcels in incorporated cities and parcels which have been long platted) will be assessed \$3.00 per parcel.

Rural (parcels which are in unincorporated areas and are not part of a long plat, except those meeting the definition of the timberland category) and

Timberland (designated forest land in parcels equal to or greater than 160 acres will be assessed \$0.10 per acre with a \$3.00 minimum and a \$16.00 maximum assessment per parcel.

The total assessment was set at \$151,812 for 2016.

NOTE 4 – INTERFUND LOANS AND ADVANCES

In 2016 there was one Interfund loan within County Funds that began in December of 2014 in the amount of \$475,337 from the Landfill Closure Fund to the Emergency Communications Fund. The purpose of the loan is to fund the replacement of radio communication equipment.

<u>Borrowing Fund</u>	<u>Lending Fund</u>	<u>Balance 1/1/2016</u>	<u>New Loan</u>	<u>Repayment</u>	<u>Balance 12/31/2016</u>
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E-911	Landfill				
Comm.	Closure	<u>\$ 383,553</u>	<u>\$ 0</u>	<u>\$ 46,495</u>	<u>\$ 337,058</u>

NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the County. The debt service requirements for general obligation bonds, revenue bonds and other debt, including both principal and interest are as follows:

<u>Year</u>	<u>Other Debt</u>	<u>Other Debt</u>	<u>Total</u>
	Principal	Interest	
2017	191,007	36,986	227,993
2018	192,781	33,776	226,557
2019	194,651	30,320	224,971
2020	196,621	26,714	223,335
2021	175,331	23,314	198,645
2022-26	716,114	85,082	801,196
2027-31	203,998	38,448	242,446
2032-33	<u>54,763</u>	<u>3,813</u>	<u>58,576</u>
Totals	<u>\$ 1,925,266</u>	<u>\$ 278,453</u>	<u>\$ 2,203,719</u>

Summary of the outstanding principal and interest is as follows:

<u>Purpose of the Bond</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2004 – Bank of America – Ambulance	\$ 132,785	\$ 16,745	\$ 149,530
2007 – S.W. Public Works Trust Loan	\$ 1,235,000	\$ 30,875	\$ 1,265,875
2012 – Commissioner’s Building	\$ 425,000	\$ 186,700	\$ 611,700
2013 – Fish Hatchery Complex	\$ <u>132,481</u>	<u>\$44,133</u>	<u>\$ 176,614</u>
Total County Debt	<u>\$ 1,925,266</u>	<u>\$ 278,453</u>	<u>\$ 2,203,719</u>

In 2004 a loan was secured through Bank of America for the purchase and remodeling of a building to serve as the operations site of the Stevens County Ambulance Service. The bond will be paid off by December 31, 2021.

In April, 2005 the Solid Waste Fund secured a Public Works Trust Fund loan in the amount of \$2,600,000 for the opening of a new sanitary landfill cell and closure of the present landfill cell. Interest at one-half percent (1/2%) per annum is due beginning July 1, 2006. Annual principal and interest payments began on July 1, 2007. This bond will be paid-off on July 1, 2025.

In December, 2011 the County purchased land and buildings adjacent to the Courthouse for \$600,000. A \$55,000 down payment was made at closing and in August of 2012 the contract to Avista was paid off. \$485,000 was borrowed through a bonding program administered by the Washington State Treasurer at a stated rate of 3.1473%. This bond will be paid off on December 31, 2032.

In June, 2013 the County re-purchased a fish hatchery and land originally given to the State of Washington. The interest rate is 3.00%. The debt is intended to be paid by the sale of fish to the State Department of Fish & Wildlife. The fish are being produced through an educational program called Washington for Wildlife, a 501 c (4) federal non-profit organization. High School students from around the area are trained to raise and care for the fish, which are then sold to the Department of Fish & Wildlife for distribution into Washington lakes. The debt schedule above is the back-up payment plan if the fish production is insufficient to service the debt. In 2016 the fish sales amounted to \$18,399, which exceeded the required payment of \$10,389 by \$8,010. The cumulated excess as of December 31, 2016 is \$31,264 and is held a credit towards the debt, but not applied to the debt until the payment is due in the future years.

The dollar value of compensated absences is calculated based on the December 31, 2016 hourly pay rates and balances of available vacation and compensated time for each fund.

The DSHS Advance is a working capital advance to N.E.W. Alliance Counseling Center by the Federal Government for the treatment of qualifying patients. The outstanding balance on December 31, 2016 is \$ 72,153.

NOTE 6 – PENSION PLANS

Substantially all Stevens County full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The county participates in the Public Employees' Retirement System (PERS), Public Safety Employees Retirement System (PSERS) and Law enforcement Officers and Fire Fighters' Retirement System (LEOFF).

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
P.O. Box 48380
Olympia, WA 98540-8380

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

Stevens County also participates in the Volunteer Fire Fighter's and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2016 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	.001654 %	\$ 88,828
PERS 1 UAAL	.120784 %	\$ 6,486,670
PERS 2/3	.150683 %	\$ 7,586,770
PSERS 2	.113190 %	<u>\$ 48,103</u>
Total Net Pension Liability reported on Schedule 09		\$ 14,210,371

LEOFF 1	.008571%	\$ (88,306)
LEOFF 2	.060468%	\$ (351,700)
VFFRPF	.280000%	\$ (47,440)

LEOFF Plan 1

The County also participates in the 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 is not mandated by the state constitution and could be changed by statute.

NOTE 7 – OTHER DISCLOSURES

PRIOR PERIOD ADJUSTMENTS

N.E.W. Alliance Counseling Service failed to report a 2015 expenditure in the amount of \$1,500. The Solid Waste Fund corrected a prior expense that was first reported as a petty change in the amount of \$199.

OPEB

The County has a commitment to pay for post employment benefits for employees that belong to LEOFF 1. These benefits include medical, vision, dental and nursing care, etc. Five retirees received \$ 39,793 in benefits during the year.

DEFERRED COMPENSATION

The County offers its employees four deferred compensation plans created in accordance with Internal Revenue Code Section 457. The two most common plans are administered by Greenco Services, who represents Lincoln Mutual and Valic Investments. The plans are available to eligible employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, qualifying emergency or to their estate upon the death of the employee. Stevens County also has a plan with Nationwide Retirement Solutions by agreement with NACO and the State of Washington.

CONTINGENCIES AND LITIGATION

In the opinion of management, the county's insurance policies are adequate to pay all known or pending claims against the county.

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

LANDFILL CLOSURE AND POST-CLOSURE ESTIMATES

Based on the engineering firm's estimate, the County has the following liabilities associated with the closure of its landfills. These amounts were updated in 2015 to values determined by CH2MHill:

Closure costs of present operating landfill	\$ 10.8 million
Post-closure costs	<u>9.0 million</u>
Total	<u>\$ 19.8 million</u>

Stevens County
Schedule of Liabilities
For the Year Ended December 31, 2016

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Martin Hall Juvenile Detention	12/1/2016	425,000	-	425,000	-
Total General Obligation Debt/Liabilities:			425,000	-	425,000	-
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		1,168,766	-	81,129	1,087,637
263.22	Landfill Closure of Present Landfill		10,800,000	-	-	10,800,000
263.22	Landfill Post-Closure Costs		9,000,000	-	-	9,000,000
263.84	DSHS Advance Alcohol & Substance	12/31/2017	41,779	-	41,779	-
263.84	DSHS Advance Developmental Disability	12/31/2017	57,835	14,318	-	72,153
263.84	WS F&WL Fish Hatchery Complex	12/1/2033	138,173	-	5,692	132,481
263.52	Commissioner Building	12/1/2033	440,000	-	15,000	425,000
263.88	Public Works Trust Fund	7/1/2025	1,372,223	-	137,223	1,235,000
263.92	Bank of America Ambulance Building	12/1/2021	159,196	-	26,411	132,785
264.30	Net Pension Liabilities		10,888,194	3,322,177	-	14,210,371
Total Revenue and Other (non G.O.) Debt/Liabilities:			34,066,166	3,336,495	307,234	37,095,427
Total Liabilities:			34,491,166	3,336,495	732,234	37,095,427

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov