



**Office of the Washington State Auditor**  
**Pat McCarthy**

**Financial Statements and Federal Single Audit  
Report**  
**Stevens County**

**For the period January 1, 2017 through December 31, 2017**

**Published September 20, 2018**

**Report No. 1022216**





**Office of the Washington State Auditor  
Pat McCarthy**

September 20, 2018

Board of Commissioners  
Stevens County  
Colville, Washington

**Report on Financial Statements and Federal Single Audit**

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

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

Sincerely,

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

Pat McCarthy  
State Auditor  
Olympia, WA

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Stevens County January 1, 2017 through December 31, 2017

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Stevens County are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the County’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

#### Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the County.

#### Federal Awards

#### Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the County’s compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

**Identification of Major Federal Programs:**

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

| <u>CFDA No.</u> | <u>Program or Cluster Title</u>   |
|-----------------|---|
| 20.205          | Highway Planning and Construction Cluster – Highway Planning and Construction |
| 93.563          | Child Support Enforcement   |

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

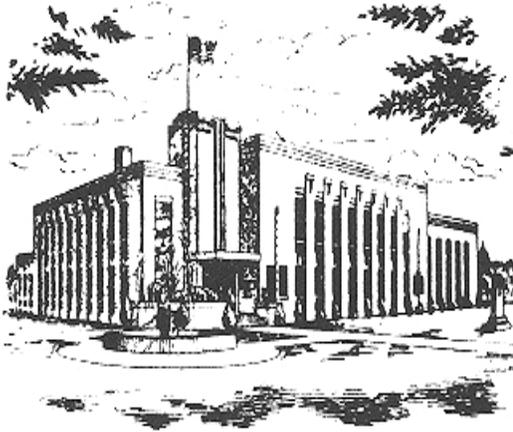
The County did not qualify as a low-risk auditee under the Uniform Guidance.

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.



# County of Stevens

State of Washington

## Office of County Auditor

TIM GRAY, County Auditor

215 South Oak, Room 106  
Colville, Washington 99114

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### Stevens County

January 1, 2017 through December 31, 2017

This schedule presents the status of findings reported in prior audit periods.

|   |                                    |                                      |
|---|------------------------------------|--------------------------------------|
| <b>Audit Period:</b><br>January 1, 2016 through December 31, 2016   | <b>Report Ref. No.:</b><br>1020688 | <b>Finding Ref. No.:</b><br>2016-001 |
| <b>Finding Caption:</b><br>The County's internal controls over financial reporting were inadequate to ensure accurate reporting.  |                                    |                                      |
| <b>Background:</b><br>The County is responsible for designing and following internal control 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.<br>We noted: <ul style="list-style-type: none"> <li>• The SEFA included expenditures for client service agreements as a 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.</li> <li>• 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.</li> </ul> |                                    |                                      |

- 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 budget budgeted and actual expenditures in the Notes to the Financial Statement resulted in understatements of \$780,700 and \$875,213.
- 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.

**Status of Corrective Action: (check one)**

Fully Corrected

Partially Corrected

Not Corrected

Finding is considered no longer valid

**Corrective Action Taken:**

*In preparing the 2017 report I, the County auditor examined all grant revenues and made sure any new grants were correctly recognized. I verified the ending cash balances to Treasurer's Report and in the future will check general ledger cash as well. I made sure all pension liabilities were included and budget to actual was correct. The County Treasurer and I worked to better understand the information required for the Schedule of Cash Activity and feel we have a better understand of how we can gather that information in the coming years.*

**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, 2017 through December 31, 2017**

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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 12, 2018.

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.

As discussed in Note 7 to the financial statements, during the year ended 2017, the County adopted guidance for presentation and disclosure of amounts collected and held for special purpose districts in fiduciary funds, as required by the BARS manual.

**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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We also noted certain matters that we will report to the management of the County in a separate letter dated September 14, 2018.

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed

in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy  
State Auditor  
Olympia, WA

September 12, 2018

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

**Stevens County  
January 1, 2017 through December 31, 2017**

Board of Commissioners  
Stevens County  
Colville, Washington

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

We have audited the compliance of Stevens County, 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, 2017. 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, 2017.

## **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 "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy

State Auditor

Olympia, WA

September 12, 2018

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## Stevens County January 1, 2017 through December 31, 2017

Board of Commissioners  
Stevens County  
Colville, Washington

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Stevens County, for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 18.

#### 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 opinions 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, 2017, 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, 2017, 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.

## **Matters of Emphasis**

As discussed in Note 7 to the financial statements, in 2017, the County adopted new accounting guidance for presentation and disclosure of amounts collected and held for special purpose districts in fiduciary funds, as required by the BARS manual. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2018 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.

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Pat McCarthy

State Auditor

Olympia, WA

September 12, 2018

## **FINANCIAL SECTION**

### **Stevens County January 1, 2017 through December 31, 2017**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2017  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2017  
Notes to Financial Statements – 2017

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2017  
Schedule of Expenditures of Federal Awards – 2017  
Notes to the Schedule of Expenditures of Federal Awards – 2017

**Stevens County**  
**Fund Resources and Uses Arising from Cash**  
**Transactions**  
**For the Year Ended December 31, 2017**

|   |                                  | <b>Total for All Funds<br/>(Memo Only)</b> | <b>001 CURRENT<br/>EXPENSE</b> | <b>106 PERFORMING<br/>ARTS TOURISM<br/>ETC</b> |
|---|----------------------------------|--|--------------------------------|--|
| <b>Beginning Cash and Investments</b>               |                                  |  |                                |  |
| 30810   | Reserved                         | 17,732,414                                 | 24,151                         | 47,610   |
| 30880   | Unreserved                       | 5,279,173                                  | 3,933,003                      | -  |
| 388 / 588   | Prior Period Adjustments, Net    | -100                                       | -                              | -  |
| <b>Revenues</b>                                     |                                  |  |                                |  |
| 310   | Taxes                            | 17,349,277                                 | 9,987,698                      | 42,030   |
| 320   | Licenses and Permits             | 431,270                                    | 424,975                        | -  |
| 330   | Intergovernmental Revenues       | 10,321,466                                 | 3,894,474                      | -  |
| 340   | Charges for Goods and Services   | 20,002,640                                 | 1,596,973                      | -  |
| 350   | Fines and Penalties              | 507,267                                    | 498,956                        | -  |
| 360   | Miscellaneous Revenues           | 3,943,299                                  | 734,662                        | 2  |
| Total Revenues:                                     |                                  | <u>52,555,219</u>                          | <u>17,137,738</u>              | <u>42,032</u>                                  |
| <b>Expenditures</b>                                 |                                  |  |                                |  |
| 510   | General Government               | 10,598,484                                 | 7,769,613                      | -  |
| 520   | Public Safety                    | 8,878,534                                  | 6,611,617                      | -  |
| 530   | Utilities                        | 1,485,520                                  | -                              | -  |
| 540   | Transportation                   | 12,622,146                                 | -                              | -  |
| 550   | Natural and Economic Environment | 1,442,410                                  | 1,092,994                      | -  |
| 560   | Social Services                  | 10,785,692                                 | 752,849                        | -  |
| 570   | Culture and Recreation           | 484,161                                    | 379,395                        | 21,734   |
| Total Expenditures:                                 |                                  | <u>46,296,947</u>                          | <u>16,606,468</u>              | <u>21,734</u>                                  |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 6,258,272                                  | 531,270                        | 20,298   |
| <b>Other Increases in Fund Resources</b>            |                                  |  |                                |  |
| 391-393, 596  | Debt Proceeds                    | 0  | -                              | -  |
| 397   | Transfers-In                     | 602,974                                    | 316,332                        | -  |
| 385   | Special or Extraordinary Items   | 0  | -                              | -  |
| 386 / 389   | Custodial Activities             | 309,318                                    | 30,574                         | -  |
| 381, 395, 398                                       | Other Resources                  | 158,439                                    | 32,856                         | -  |
| Total Other Increases in Fund Resources:            |                                  | <u>1,070,731</u>                           | <u>379,762</u>                 | <u>0</u>                                       |
| <b>Other Decreases in Fund Resources</b>            |                                  |  |                                |  |
| 594-595   | Capital Expenditures             | 3,383,852                                  | 33,221                         | -  |
| 591-593, 599  | Debt Service                     | 232,730                                    | -                              | -  |
| 597   | Transfers-Out                    | 602,974                                    | 208,075                        | 14,500   |
| 585   | Special or Extraordinary Items   | 0  | -                              | -  |
| 586 / 589   | Custodial Activities             | 353,714                                    | 47,524                         | -  |
| 581   | Other Uses                       | 94,214                                     | -                              | -  |
| Total Other Decreases in Fund Resources:            |                                  | <u>4,667,484</u>                           | <u>288,820</u>                 | <u>14,500</u>                                  |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b><u>2,661,519</u></b>                    | <b><u>622,212</u></b>          | <b><u>5,798</u></b>                            |
| <b>Ending Cash and Investments</b>                  |                                  |  |                                |  |
| 5081000   | Reserved                         | 19,296,392                                 | 18,383                         | 53,408   |
| 5088000   | Unreserved                       | 6,376,614                                  | 4,560,983                      | -  |
| <b>Total Ending Cash and Investments</b>            |                                  | <b><u>25,673,006</u></b>                   | <b><u>4,579,366</u></b>        | <b><u>53,408</u></b>                           |

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, 2017**

|   |                                  | <b>107 CRIME<br/>VICTIMS AND<br/>WITNESS FUND</b> | <b>110 ROAD FUND</b> | <b>115 PATHS AND<br/>TRAILS</b> |
|---|----------------------------------|---|----------------------|---------------------------------|
| <b>Beginning Cash and Investments</b>               |                                  |   |                      |                                 |
| 30810   | Reserved                         | 81,260  | 6,002,506            | 230,073                         |
| 30880   | Unreserved                       | -   | -                    | -                               |
| 388 / 588   | Prior Period Adjustments, Net    | -   | -                    | -                               |
| <b>Revenues</b>                                     |                                  |   |                      |                                 |
| 310   | Taxes                            | -   | 5,837,476            | -                               |
| 320   | Licenses and Permits             | -   | 6,295                | -                               |
| 330   | Intergovernmental Revenues       | -   | 5,043,940            | 19,354                          |
| 340   | Charges for Goods and Services   | 22,722  | 126,073              | -                               |
| 350   | Fines and Penalties              | -   | -                    | -                               |
| 360   | Miscellaneous Revenues           | -   | 72,981               | -                               |
| Total Revenues:                                     |                                  | 22,722  | 11,086,765           | 19,354                          |
| <b>Expenditures</b>                                 |                                  |   |                      |                                 |
| 510   | General Government               | 4,327   | 51,867               | -                               |
| 520   | Public Safety                    | -   | -                    | -                               |
| 530   | Utilities                        | -   | -                    | -                               |
| 540   | Transportation                   | -   | 8,541,645            | -                               |
| 550   | Natural and Economic Environment | -   | -                    | -                               |
| 560   | Social Services                  | -   | -                    | -                               |
| 570   | Culture and Recreation           | -   | -                    | -                               |
| Total Expenditures:                                 |                                  | 4,327   | 8,593,512            | 0                               |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 18,395  | 2,493,253            | 19,354                          |
| <b>Other Increases in Fund Resources</b>            |                                  |   |                      |                                 |
| 391-393, 596  | Debt Proceeds                    | -   | -                    | -                               |
| 397   | Transfers-In                     | -   | -                    | -                               |
| 385   | Special or Extraordinary Items   | -   | -                    | -                               |
| 386 / 389   | Custodial Activities             | -   | 116                  | -                               |
| 381, 395, 398                                       | Other Resources                  | -   | -                    | -                               |
| Total Other Increases in Fund Resources:            |                                  | 0   | 116                  | 0                               |
| <b>Other Decreases in Fund Resources</b>            |                                  |   |                      |                                 |
| 594-595   | Capital Expenditures             | -   | 1,021,948            | -                               |
| 591-593, 599  | Debt Service                     | -   | -                    | -                               |
| 597   | Transfers-Out                    | 20,000  | -                    | -                               |
| 585   | Special or Extraordinary Items   | -   | -                    | -                               |
| 586 / 589   | Custodial Activities             | -   | 29,677               | -                               |
| 581   | Other Uses                       | -   | -                    | -                               |
| Total Other Decreases in Fund Resources:            |                                  | 20,000  | 1,051,625            | 0                               |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>-1,605</b>                                     | <b>-1,051,509</b>    | <b>19,354</b>                   |
| <b>Ending Cash and Investments</b>                  |                                  |   |                      |                                 |
| 5081000   | Reserved                         | 79,655  | 7,444,250            | 249,427                         |
| 5088000   | Unreserved                       | -   | -                    | -                               |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>79,655</b>                                     | <b>7,444,250</b>     | <b>249,427</b>                  |

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, 2017**

|   |                                  | <b>121<br/>HOMELESSNESS</b> | <b>ALLIANCE<br/>COUNSELING<br/>SERVS</b> | <b>123 VERY LOW<br/>INCOME<br/>HOUSING</b> |
|---|----------------------------------|-----------------------------|--|--|
| <b>Beginning Cash and Investments</b>               |                                  |                             |  |  |
| 30810   | Reserved                         | 531,657                     | 3,773,608                                | 74,865                                     |
| 30880   | Unreserved                       | -                           | -  | -  |
| 388 / 588   | Prior Period Adjustments, Net    | -                           | -  | -  |
| <b>Revenues</b>                                     |                                  |                             |  |  |
| 310   | Taxes                            | -                           | 115,172                                  | -  |
| 320   | Licenses and Permits             | -                           | -  | -  |
| 330   | Intergovernmental Revenues       | -                           | 760,001                                  | -  |
| 340   | Charges for Goods and Services   | 217,249                     | 7,810,348                                | 43,110                                     |
| 350   | Fines and Penalties              | -                           | -  | -  |
| 360   | Miscellaneous Revenues           | -                           | 48,995                                   | -  |
| Total Revenues:                                     |                                  | 217,249                     | 8,734,516                                | 43,110                                     |
| <b>Expenditures</b>                                 |                                  |                             |  |  |
| 510   | General Government               | -                           | -  | -  |
| 520   | Public Safety                    | -                           | -  | -  |
| 530   | Utilities                        | -                           | -  | -  |
| 540   | Transportation                   | -                           | -  | -  |
| 550   | Natural and Economic Environment | -                           | -  | 50,463                                     |
| 560   | Social Services                  | 196,197                     | 9,805,300                                | -  |
| 570   | Culture and Recreation           | -                           | -  | -  |
| Total Expenditures:                                 |                                  | 196,197                     | 9,805,300                                | 50,463                                     |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 21,052                      | -1,070,784                               | -7,353                                     |
| <b>Other Increases in Fund Resources</b>            |                                  |                             |  |  |
| 391-393, 596  | Debt Proceeds                    | -                           | -  | -  |
| 397   | Transfers-In                     | -                           | -  | -  |
| 385   | Special or Extraordinary Items   | -                           | -  | -  |
| 386 / 389   | Custodial Activities             | -                           | 47,191                                   | -  |
| 381, 395, 398                                       | Other Resources                  | -                           | -  | -  |
| Total Other Increases in Fund Resources:            |                                  | 0                           | 47,191                                   | 0  |
| <b>Other Decreases in Fund Resources</b>            |                                  |                             |  |  |
| 594-595   | Capital Expenditures             | -                           | 113,886                                  | -  |
| 591-593, 599  | Debt Service                     | -                           | -  | -  |
| 597   | Transfers-Out                    | -                           | -  | -  |
| 585   | Special or Extraordinary Items   | -                           | -  | -  |
| 586 / 589   | Custodial Activities             | -                           | 76,828                                   | -  |
| 581   | Other Uses                       | -                           | -  | -  |
| Total Other Decreases in Fund Resources:            |                                  | 0                           | 190,714                                  | 0  |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>21,052</b>               | <b>-1,214,307</b>                        | <b>-7,353</b>                              |
| <b>Ending Cash and Investments</b>                  |                                  |                             |  |  |
| 5081000   | Reserved                         | 552,709                     | 2,559,301                                | 67,512                                     |
| 5088000   | Unreserved                       | -                           | -  | -  |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>552,709</b>              | <b>2,559,301</b>                         | <b>67,512</b>                              |

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, 2017**

|   |                                  | <b>124 VETERANS<br/>RELIEF FUND</b> | <b>125 LAW<br/>LIBRARY</b> | <b>126 AUDITORS<br/>O&amp;M FUND</b> |
|---|----------------------------------|-------------------------------------|----------------------------|--------------------------------------|
| <b>Beginning Cash and Investments</b>               |                                  |                                     |                            |                                      |
| 30810   | Reserved                         | 70,773                              | 16,351                     | 91,439                               |
| 30880   | Unreserved                       | -                                   | -                          | -                                    |
| 388 / 588   | Prior Period Adjustments, Net    | -                                   | -                          | -                                    |
| <b>Revenues</b>                                     |                                  |                                     |                            |                                      |
| 310   | Taxes                            | 44,365                              | -                          | -                                    |
| 320   | Licenses and Permits             | -                                   | -                          | -                                    |
| 330   | Intergovernmental Revenues       | 3,440                               | -                          | 54,224                               |
| 340   | Charges for Goods and Services   | -                                   | 12,503                     | 27,143                               |
| 350   | Fines and Penalties              | -                                   | -                          | -                                    |
| 360   | Miscellaneous Revenues           | 318                                 | -                          | -                                    |
| Total Revenues:                                     |                                  | <u>48,123</u>                       | <u>12,503</u>              | <u>81,367</u>                        |
| <b>Expenditures</b>                                 |                                  |                                     |                            |                                      |
| 510   | General Government               | -                                   | -                          | 66,518                               |
| 520   | Public Safety                    | -                                   | -                          | -                                    |
| 530   | Utilities                        | -                                   | -                          | -                                    |
| 540   | Transportation                   | -                                   | -                          | -                                    |
| 550   | Natural and Economic Environment | -                                   | -                          | -                                    |
| 560   | Social Services                  | 31,346                              | -                          | -                                    |
| 570   | Culture and Recreation           | -                                   | 4,381                      | -                                    |
| Total Expenditures:                                 |                                  | <u>31,346</u>                       | <u>4,381</u>               | <u>66,518</u>                        |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 16,777                              | 8,122                      | 14,849                               |
| <b>Other Increases in Fund Resources</b>            |                                  |                                     |                            |                                      |
| 391-393, 596  | Debt Proceeds                    | -                                   | -                          | -                                    |
| 397   | Transfers-In                     | -                                   | -                          | -                                    |
| 385   | Special or Extraordinary Items   | -                                   | -                          | -                                    |
| 386 / 389   | Custodial Activities             | 327                                 | -                          | -                                    |
| 381, 395, 398                                       | Other Resources                  | -                                   | -                          | -                                    |
| Total Other Increases in Fund Resources:            |                                  | <u>327</u>                          | <u>0</u>                   | <u>0</u>                             |
| <b>Other Decreases in Fund Resources</b>            |                                  |                                     |                            |                                      |
| 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:            |                                  | <u>0</u>                            | <u>0</u>                   | <u>30,000</u>                        |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>17,104</b>                       | <b>8,122</b>               | <b>-15,151</b>                       |
| <b>Ending Cash and Investments</b>                  |                                  |                                     |                            |                                      |
| 5081000   | Reserved                         | 87,877                              | 24,473                     | 76,288                               |
| 5088000   | Unreserved                       | -                                   | -                          | -                                    |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>87,877</b>                       | <b>24,473</b>              | <b>76,288</b>                        |

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, 2017**

|   |                                  | <b>128 NORTHEAST<br/>WASHINGTON<br/>FAIR</b> | <b>129 TREASURERS<br/>O&amp;M</b> | <b>130 WEED<br/>CONTROL</b> |
|---|----------------------------------|--|-----------------------------------|-----------------------------|
| <b>Beginning Cash and Investments</b>               |                                  |  |                                   |                             |
| 30810   | Reserved                         | -  | 77,979                            | 152,066                     |
| 30880   | Unreserved                       | 6,822  | -                                 | -                           |
| 388 / 588   | Prior Period Adjustments, Net    | -  | -                                 | -                           |
| <b>Revenues</b>                                     |                                  |  |                                   |                             |
| 310   | Taxes                            | -  | -                                 | 7,482                       |
| 320   | Licenses and Permits             | -  | -                                 | -                           |
| 330   | Intergovernmental Revenues       | 35,693                                       | -                                 | -                           |
| 340   | Charges for Goods and Services   | 33,887                                       | 44,386                            | 93                          |
| 350   | Fines and Penalties              | -  | -                                 | -                           |
| 360   | Miscellaneous Revenues           | 12,467                                       | -                                 | 152,794                     |
| Total Revenues:                                     |                                  | <u>82,047</u>                                | <u>44,386</u>                     | <u>160,369</u>              |
| <b>Expenditures</b>                                 |                                  |  |                                   |                             |
| 510   | General Government               | -  | 30,283                            | -                           |
| 520   | Public Safety                    | -  | -                                 | -                           |
| 530   | Utilities                        | -  | -                                 | -                           |
| 540   | Transportation                   | -  | -                                 | -                           |
| 550   | Natural and Economic Environment | -  | -                                 | 211,366                     |
| 560   | Social Services                  | -  | -                                 | -                           |
| 570   | Culture and Recreation           | 78,651                                       | -                                 | -                           |
| Total Expenditures:                                 |                                  | <u>78,651</u>                                | <u>30,283</u>                     | <u>211,366</u>              |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 3,396  | 14,103                            | -50,997                     |
| <b>Other Increases in Fund Resources</b>            |                                  |  |                                   |                             |
| 391-393, 596  | Debt Proceeds                    | -  | -                                 | -                           |
| 397   | Transfers-In                     | 2,000  | -                                 | -                           |
| 385   | Special or Extraordinary Items   | -  | -                                 | -                           |
| 386 / 389   | Custodial Activities             | 7,025  | -                                 | 7                           |
| 381, 395, 398                                       | Other Resources                  | -  | -                                 | -                           |
| Total Other Increases in Fund Resources:            |                                  | <u>9,025</u>                                 | <u>0</u>                          | <u>7</u>                    |
| <b>Other Decreases in Fund Resources</b>            |                                  |  |                                   |                             |
| 594-595   | Capital Expenditures             | -  | -                                 | -                           |
| 591-593, 599  | Debt Service                     | -  | -                                 | -                           |
| 597   | Transfers-Out                    | -  | 19,571                            | -                           |
| 585   | Special or Extraordinary Items   | -  | -                                 | -                           |
| 586 / 589   | Custodial Activities             | 7,175  | -                                 | 15                          |
| 581   | Other Uses                       | -  | -                                 | -                           |
| Total Other Decreases in Fund Resources:            |                                  | <u>7,175</u>                                 | <u>19,571</u>                     | <u>15</u>                   |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b><u>5,246</u></b>                          | <b><u>-5,468</u></b>              | <b><u>-51,005</u></b>       |
| <b>Ending Cash and Investments</b>                  |                                  |  |                                   |                             |
| 5081000   | Reserved                         | -  | 72,511                            | 101,061                     |
| 5088000   | Unreserved                       | 12,068                                       | -                                 | -                           |
| <b>Total Ending Cash and Investments</b>            |                                  | <b><u>12,068</u></b>                         | <b><u>72,511</u></b>              | <b><u>101,061</u></b>       |

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, 2017**

|   |                                  | <b>131 LAKE<br/>MANAGEMENT<br/>2013 - 801 &amp; 802</b> | <b>133 FAMILY LAW<br/>COURT<br/>FACILITATOR</b> | <b>138 DEER LAKE<br/>MNGT DIST #1-<br/>2011</b> |
|---|----------------------------------|---|---|---|
| <b>Beginning Cash and Investments</b>               |                                  |   |   |   |
| 30810   | Reserved                         | 44,679  | 23,538  | 80  |
| 30880   | Unreserved                       | -   | -   | -   |
| 388 / 588   | Prior Period Adjustments, Net    | -   | -   | -   |
| <b>Revenues</b>                                     |                                  |   |   |   |
| 310   | Taxes                            | -   | -   | -   |
| 320   | Licenses and Permits             | -   | -   | -   |
| 330   | Intergovernmental Revenues       | -   | -   | -   |
| 340   | Charges for Goods and Services   | -   | 5,743   | -   |
| 350   | Fines and Penalties              | 340   | -   | 129   |
| 360   | Miscellaneous Revenues           | 89,192  | -   | 1,419   |
| Total Revenues:                                     |                                  | 89,532  | 5,743   | 1,548   |
| <b>Expenditures</b>                                 |                                  |   |   |   |
| 510   | General Government               | -   | 14,558  | -   |
| 520   | Public Safety                    | -   | -   | -   |
| 530   | Utilities                        | -   | -   | -   |
| 540   | Transportation                   | -   | -   | -   |
| 550   | Natural and Economic Environment | 20,111  | -   | 1,575   |
| 560   | Social Services                  | -   | -   | -   |
| 570   | Culture and Recreation           | -   | -   | -   |
| Total Expenditures:                                 |                                  | 20,111  | 14,558  | 1,575   |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 69,421  | -8,815  | -27   |
| <b>Other Increases in Fund Resources</b>            |                                  |   |   |   |
| 391-393, 596  | Debt Proceeds                    | -   | -   | -   |
| 397   | Transfers-In                     | -   | 11,185  | -   |
| 385   | Special or Extraordinary Items   | -   | -   | -   |
| 386 / 389   | Custodial Activities             | 921   | -   | -   |
| 381, 395, 398                                       | Other Resources                  | -   | -   | -   |
| Total Other Increases in Fund Resources:            |                                  | 921   | 11,185  | 0   |
| <b>Other Decreases in Fund Resources</b>            |                                  |   |   |   |
| 594-595   | Capital Expenditures             | -   | -   | -   |
| 591-593, 599  | Debt Service                     | -   | -   | -   |
| 597   | Transfers-Out                    | -   | -   | -   |
| 585   | Special or Extraordinary Items   | -   | -   | -   |
| 586 / 589   | Custodial Activities             | 921   | -   | -   |
| 581   | Other Uses                       | -   | -   | -   |
| Total Other Decreases in Fund Resources:            |                                  | 921   | 0   | 0   |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>69,421</b>   | <b>2,370</b>                                    | <b>-27</b>                                      |
| <b>Ending Cash and Investments</b>                  |                                  |   |   |   |
| 5081000   | Reserved                         | 114,100   | 25,908  | 53  |
| 5088000   | Unreserved                       | -   | -   | -   |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>114,100</b>  | <b>25,908</b>                                   | <b>53</b>                                       |

*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, 2017**

|   |                                  | <b>139 GUARDIAN<br/>FACILITATOR</b> | <b>140 DRUG<br/>INVESTIGATION<br/>FUND</b> | <b>141 SHERIFF<br/>STATE DRUG<br/>FORFEITURE</b> |
|---|----------------------------------|-------------------------------------|--|--|
| <b>Beginning Cash and Investments</b>               |                                  |                                     |  |  |
| 30810   | Reserved                         | 40                                  | 156,684                                    | 43,630   |
| 30880   | Unreserved                       | 2,000                               | -  | -  |
| 388 / 588   | Prior Period Adjustments, Net    | -                                   | -  | -  |
| <b>Revenues</b>                                     |                                  |                                     |  |  |
| 310   | Taxes                            | -                                   | -  | -  |
| 320   | Licenses and Permits             | -                                   | -  | -  |
| 330   | Intergovernmental Revenues       | -                                   | -  | -  |
| 340   | Charges for Goods and Services   | 180                                 | -  | -  |
| 350   | Fines and Penalties              | -                                   | 7,808                                      | -  |
| 360   | Miscellaneous Revenues           | -                                   | -  | 900  |
| Total Revenues:                                     |                                  | 180                                 | 7,808                                      | 900  |
| <b>Expenditures</b>                                 |                                  |                                     |  |  |
| 510   | General Government               | 100                                 | -  | -  |
| 520   | Public Safety                    | -                                   | 1,116                                      | -  |
| 530   | Utilities                        | -                                   | -  | -  |
| 540   | Transportation                   | -                                   | -  | -  |
| 550   | Natural and Economic Environment | -                                   | -  | -  |
| 560   | Social Services                  | -                                   | -  | -  |
| 570   | Culture and Recreation           | -                                   | -  | -  |
| Total Expenditures:                                 |                                  | 100                                 | 1,116                                      | 0  |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 80                                  | 6,692                                      | 900  |
| <b>Other Increases in Fund Resources</b>            |                                  |                                     |  |  |
| 391-393, 596  | Debt Proceeds                    | -                                   | -  | -  |
| 397   | Transfers-In                     | -                                   | -  | -  |
| 385   | Special or Extraordinary Items   | -                                   | -  | -  |
| 386 / 389   | Custodial Activities             | -                                   | -  | 100  |
| 381, 395, 398                                       | Other Resources                  | -                                   | -  | -  |
| Total Other Increases in Fund Resources:            |                                  | 0                                   | 0  | 100  |
| <b>Other Decreases in Fund Resources</b>            |                                  |                                     |  |  |
| 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:            |                                  | 0                                   | 0  | 0  |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>80</b>                           | <b>6,692</b>                               | <b>1,000</b>                                     |
| <b>Ending Cash and Investments</b>                  |                                  |                                     |  |  |
| 5081000   | Reserved                         | 120                                 | 163,376                                    | 44,630   |
| 5088000   | Unreserved                       | 2,000                               | -  | -  |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>2,120</b>                        | <b>163,376</b>                             | <b>44,630</b>                                    |

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, 2017**

|   |                                  | <b>142 SHERIFF<br/>FEDERAL DRUG<br/>FORFEITURE</b> | <b>145 EMERGENCY<br/>COMMUNICATION<br/>S</b> | <b>150 INMATE<br/>WELFARE FUND</b> |
|---|----------------------------------|--|--|------------------------------------|
| <b>Beginning Cash and Investments</b>               |                                  |  |  |                                    |
| 30810   | Reserved                         | 81,743   | -  | 15,703                             |
| 30880   | Unreserved                       | -  | 477,955                                      | -                                  |
| 388 / 588   | Prior Period Adjustments, Net    | -  | -  | -                                  |
| <b>Revenues</b>                                     |                                  |  |  |                                    |
| 310   | Taxes                            | -  | 392,964                                      | -                                  |
| 320   | Licenses and Permits             | -  | -  | -                                  |
| 330   | Intergovernmental Revenues       | -  | 380,960                                      | -                                  |
| 340   | Charges for Goods and Services   | -  | 849,883                                      | 4,996                              |
| 350   | Fines and Penalties              | -  | -  | -                                  |
| 360   | Miscellaneous Revenues           | 3,480  | 38,362                                       | 2,421                              |
| Total Revenues:                                     |                                  | 3,480  | 1,662,169                                    | 7,417                              |
| <b>Expenditures</b>                                 |                                  |  |  |                                    |
| 510   | General Government               | -  | -  | -                                  |
| 520   | Public Safety                    | 42,502   | 1,372,120                                    | 5,236                              |
| 530   | Utilities                        | -  | -  | -                                  |
| 540   | Transportation                   | -  | -  | -                                  |
| 550   | Natural and Economic Environment | -  | -  | -                                  |
| 560   | Social Services                  | -  | -  | -                                  |
| 570   | Culture and Recreation           | -  | -  | -                                  |
| Total Expenditures:                                 |                                  | 42,502   | 1,372,120                                    | 5,236                              |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | -39,022  | 290,049                                      | 2,181                              |
| <b>Other Increases in Fund Resources</b>            |                                  |  |  |                                    |
| 391-393, 596  | Debt Proceeds                    | -  | -  | -                                  |
| 397   | Transfers-In                     | -  | -  | -                                  |
| 385   | Special or Extraordinary Items   | -  | -  | -                                  |
| 386 / 389   | Custodial Activities             | -  | 57,000                                       | 316                                |
| 381, 395, 398                                       | Other Resources                  | -  | -  | -                                  |
| Total Other Increases in Fund Resources:            |                                  | 0  | 57,000                                       | 316                                |
| <b>Other Decreases in Fund Resources</b>            |                                  |  |  |                                    |
| 594-595   | Capital Expenditures             | -  | 53,559                                       | -                                  |
| 591-593, 599  | Debt Service                     | -  | 5,488  | -                                  |
| 597   | Transfers-Out                    | -  | 75,936                                       | -                                  |
| 585   | Special or Extraordinary Items   | -  | -  | -                                  |
| 586 / 589   | Custodial Activities             | -  | 804  | 316                                |
| 581   | Other Uses                       | -  | 94,214                                       | -                                  |
| Total Other Decreases in Fund Resources:            |                                  | 0  | 230,001                                      | 316                                |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>-39,022</b>                                     | <b>117,048</b>                               | <b>2,181</b>                       |
| <b>Ending Cash and Investments</b>                  |                                  |  |  |                                    |
| 5081000   | Reserved                         | 42,721   | -  | 17,884                             |
| 5088000   | Unreserved                       | -  | 595,003                                      | -                                  |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>42,721</b>                                      | <b>595,003</b>                               | <b>17,884</b>                      |

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, 2017**

|   |                                  | <b>155 COUNTY<br/>VEHICLE<br/>REPLACEMENT</b> | <b>160 TRIAL COURT<br/>IMPROVEMENT<br/>FUND</b> | <b>165 REET<br/>ELECTRONIC<br/>TECHNOLOGY</b> |
|---|----------------------------------|---|---|---|
| <b>Beginning Cash and Investments</b>               |                                  |   |   |   |
| 30810   | Reserved                         | 43,951  | 97,599  | 55,159  |
| 30880   | Unreserved                       | -   | -   | -   |
| 388 / 588   | Prior Period Adjustments, Net    | -   | -   | -   |
| <b>Revenues</b>                                     |                                  |   |   |   |
| 310   | Taxes                            | -   | -   | -   |
| 320   | Licenses and Permits             | -   | -   | -   |
| 330   | Intergovernmental Revenues       | -   | 23,449  | 11,437  |
| 340   | Charges for Goods and Services   | -   | -   | -   |
| 350   | Fines and Penalties              | -   | -   | -   |
| 360   | Miscellaneous Revenues           | -   | -   | -   |
| Total Revenues:                                     |                                  | 0   | 23,449  | 11,437  |
| <b>Expenditures</b>                                 |                                  |   |   |   |
| 510   | General Government               | -   | 76,545  | 55,000  |
| 520   | Public Safety                    | -   | -   | -   |
| 530   | Utilities                        | -   | -   | -   |
| 540   | Transportation                   | -   | -   | -   |
| 550   | Natural and Economic Environment | -   | -   | -   |
| 560   | Social Services                  | -   | -   | -   |
| 570   | Culture and Recreation           | -   | -   | -   |
| Total Expenditures:                                 |                                  | 0   | 76,545  | 55,000  |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 0   | -53,096   | -43,563                                       |
| <b>Other Increases in Fund Resources</b>            |                                  |   |   |   |
| 391-393, 596  | Debt Proceeds                    | -   | -   | -   |
| 397   | Transfers-In                     | 200,000                                       | -   | -   |
| 385   | Special or Extraordinary Items   | -   | -   | -   |
| 386 / 389   | Custodial Activities             | 130   | -   | -   |
| 381, 395, 398                                       | Other Resources                  | -   | -   | -   |
| Total Other Increases in Fund Resources:            |                                  | 200,130                                       | 0   | 0   |
| <b>Other Decreases in Fund Resources</b>            |                                  |   |   |   |
| 594-595   | Capital Expenditures             | 186,902                                       | -   | -   |
| 591-593, 599  | Debt Service                     | -   | -   | -   |
| 597   | Transfers-Out                    | -   | 3,110   | -   |
| 585   | Special or Extraordinary Items   | -   | -   | -   |
| 586 / 589   | Custodial Activities             | 130   | -   | -   |
| 581   | Other Uses                       | -   | -   | -   |
| Total Other Decreases in Fund Resources:            |                                  | 187,032                                       | 3,110   | 0   |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>13,098</b>                                 | <b>-56,206</b>                                  | <b>-43,563</b>                                |
| <b>Ending Cash and Investments</b>                  |                                  |   |   |   |
| 5081000   | Reserved                         | 57,049  | 41,393  | 11,596  |
| 5088000   | Unreserved                       | -   | -   | -   |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>57,049</b>                                 | <b>41,393</b>                                   | <b>11,596</b>                                 |

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, 2017**

|   |                                  | <b>180 DEER LAKE<br/>MANAGEMENT<br/>DIST 1-2016</b> | <b>201 CURRENT<br/>EXPENSE GO<br/>BOND</b> | <b>305 GENERAL<br/>CAPITAL<br/>PROJECTS FUND</b> |
|---|----------------------------------|---|--|--|
| <b>Beginning Cash and Investments</b>               |                                  |   |  |  |
| 30810   | Reserved                         | -   | 31,263                                     | 584,591  |
| 30880   | Unreserved                       | -   | 29,794                                     | -  |
| 388 / 588   | Prior Period Adjustments, Net    | -   | -  | -  |
| <b>Revenues</b>                                     |                                  |   |  |  |
| 310   | Taxes                            | -   | -  | 434,191  |
| 320   | Licenses and Permits             | -   | -  | -  |
| 330   | Intergovernmental Revenues       | -   | -  | 44,712   |
| 340   | Charges for Goods and Services   | -   | -  | -  |
| 350   | Fines and Penalties              | 34  | -  | -  |
| 360   | Miscellaneous Revenues           | 28,432  | 174  | -  |
| Total Revenues:                                     |                                  | <u>28,466</u>                                       | <u>174</u>                                 | <u>478,903</u>                                   |
| <b>Expenditures</b>                                 |                                  |   |  |  |
| 510   | General Government               | -   | -  | 14,355   |
| 520   | Public Safety                    | -   | -  | -  |
| 530   | Utilities                        | -   | -  | -  |
| 540   | Transportation                   | -   | -  | -  |
| 550   | Natural and Economic Environment | 21,751  | -  | -  |
| 560   | Social Services                  | -   | -  | -  |
| 570   | Culture and Recreation           | -   | -  | -  |
| Total Expenditures:                                 |                                  | <u>21,751</u>                                       | <u>0</u>                                   | <u>14,355</u>                                    |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 6,715   | 174  | 464,548  |
| <b>Other Increases in Fund Resources</b>            |                                  |   |  |  |
| 391-393, 596  | Debt Proceeds                    | -   | -  | -  |
| 397   | Transfers-In                     | -   | 73,457                                     | -  |
| 385   | Special or Extraordinary Items   | -   | -  | -  |
| 386 / 389   | Custodial Activities             | -   | -  | -  |
| 381, 395, 398                                       | Other Resources                  | -   | -  | -  |
| Total Other Increases in Fund Resources:            |                                  | <u>0</u>  | <u>73,457</u>                              | <u>0</u>   |
| <b>Other Decreases in Fund Resources</b>            |                                  |   |  |  |
| 594-595   | Capital Expenditures             | -   | -  | 180,327  |
| 591-593, 599  | Debt Service                     | -   | 83,845                                     | -  |
| 597   | Transfers-Out                    | -   | -  | 41,437   |
| 585   | Special or Extraordinary Items   | -   | -  | -  |
| 586 / 589   | Custodial Activities             | -   | -  | -  |
| 581   | Other Uses                       | -   | -  | -  |
| Total Other Decreases in Fund Resources:            |                                  | <u>0</u>  | <u>83,845</u>                              | <u>221,764</u>                                   |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>6,715</b>  | <b>-10,214</b>                             | <b>242,784</b>                                   |
| <b>Ending Cash and Investments</b>                  |                                  |   |  |  |
| 5081000   | Reserved                         | 6,715   | 20,874                                     | 827,375  |
| 5088000   | Unreserved                       | -   | 29,969                                     | -  |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>6,715</b>  | <b>50,843</b>                              | <b>827,375</b>                                   |

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, 2017**

|   |                                  | <b>306 PUBLIC<br/>FACILITIES (REF<br/>49)</b> | <b>405 SHERIFFS<br/>AMBULANCE<br/>FUND</b> | <b>410 SOLID<br/>WASTE</b> |
|---|----------------------------------|---|--|----------------------------|
| <b>Beginning Cash and Investments</b>               |                                  |   |  |                            |
| 30810   | Reserved                         | 631,824                                       | 376,694                                    | 3,779,527                  |
| 30880   | Unreserved                       | -   | -  | -                          |
| 388 / 588   | Prior Period Adjustments, Net    | -   | -100                                       | -                          |
| <b>Revenues</b>                                     |                                  |   |  |                            |
| 310   | Taxes                            | 487,899                                       | -  | -                          |
| 320   | Licenses and Permits             | -   | -  | -                          |
| 330   | Intergovernmental Revenues       | -   | 1,270                                      | 48,512                     |
| 340   | Charges for Goods and Services   | -   | 847,189                                    | 2,518,622                  |
| 350   | Fines and Penalties              | -   | -  | -                          |
| 360   | Miscellaneous Revenues           | -   | 27,145                                     | 127,133                    |
| Total Revenues:                                     |                                  | <u>487,899</u>                                | <u>875,604</u>                             | <u>2,694,267</u>           |
| <b>Expenditures</b>                                 |                                  |   |  |                            |
| 510   | General Government               | 2,500   | -  | -                          |
| 520   | Public Safety                    | -   | 845,943                                    | -                          |
| 530   | Utilities                        | -   | -  | 1,485,520                  |
| 540   | Transportation                   | -   | -  | -                          |
| 550   | Natural and Economic Environment | 44,150  | -  | -                          |
| 560   | Social Services                  | -   | -  | -                          |
| 570   | Culture and Recreation           | -   | -  | -                          |
| Total Expenditures:                                 |                                  | <u>46,650</u>                                 | <u>845,943</u>                             | <u>1,485,520</u>           |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 441,249                                       | 29,661                                     | 1,208,747                  |
| <b>Other Increases in Fund Resources</b>            |                                  |   |  |                            |
| 391-393, 596  | Debt Proceeds                    | -   | -  | -                          |
| 397   | Transfers-In                     | -   | -  | -                          |
| 385   | Special or Extraordinary Items   | -   | -  | -                          |
| 386 / 389   | Custodial Activities             | -   | -  | 27,094                     |
| 381, 395, 398                                       | Other Resources                  | -   | -  | 94,214                     |
| Total Other Increases in Fund Resources:            |                                  | <u>0</u>                                      | <u>0</u>                                   | <u>121,308</u>             |
| <b>Other Decreases in Fund Resources</b>            |                                  |   |  |                            |
| 594-595   | Capital Expenditures             | -   | 20,000                                     | 308,979                    |
| 591-593, 599  | Debt Service                     | -   | -  | 143,397                    |
| 597   | Transfers-Out                    | 152,242                                       | 38,103                                     | -                          |
| 585   | Special or Extraordinary Items   | -   | -  | -                          |
| 586 / 589   | Custodial Activities             | -   | 3,907                                      | 26,895                     |
| 581   | Other Uses                       | -   | -  | -                          |
| Total Other Decreases in Fund Resources:            |                                  | <u>152,242</u>                                | <u>62,010</u>                              | <u>479,271</u>             |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b><u>289,007</u></b>                         | <b><u>-32,349</u></b>                      | <b><u>850,784</u></b>      |
| <b>Ending Cash and Investments</b>                  |                                  |   |  |                            |
| 5081000   | Reserved                         | 920,831                                       | 344,245                                    | 4,630,311                  |
| 5088000   | Unreserved                       | -   | -  | -                          |
| <b>Total Ending Cash and Investments</b>            |                                  | <b><u>920,831</u></b>                         | <b><u>344,245</u></b>                      | <b><u>4,630,311</u></b>    |

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, 2017**

|   |                                  | <b>501 EQUIPMENT<br/>RENTAL &amp;<br/>REVOLV FUND</b> | <b>510<br/>INFORMATION<br/>SERVICES</b> | <b>520 INSURANCE<br/>SERVICE FUND</b> |
|---|----------------------------------|---|---|---------------------------------------|
| <b>Beginning Cash and Investments</b>               |                                  |   |   |                                       |
| 30810   | Reserved                         | -   | -                                       | 527,945                               |
| 30880   | Unreserved                       | 794,575   | 35,024                                  | -                                     |
| 388 / 588   | Prior Period Adjustments, Net    | -   | -                                       | -                                     |
| <b>Revenues</b>                                     |                                  |   |   |                                       |
| 310   | Taxes                            | -   | -                                       | -                                     |
| 320   | Licenses and Permits             | -   | -                                       | -                                     |
| 330   | Intergovernmental Revenues       | -   | -                                       | -                                     |
| 340   | Charges for Goods and Services   | 2,267,571   | 2,644,398                               | 929,571                               |
| 350   | Fines and Penalties              | -   | -                                       | -                                     |
| 360   | Miscellaneous Revenues           | 2,601,185   | 3,078                                   | -                                     |
| Total Revenues:                                     |                                  | <u>4,868,756</u>                                      | <u>2,647,476</u>                        | <u>929,571</u>                        |
| <b>Expenditures</b>                                 |                                  |   |   |                                       |
| 510   | General Government               | -   | 1,655,753                               | 857,065                               |
| 520   | Public Safety                    | -   | -                                       | -                                     |
| 530   | Utilities                        | -   | -                                       | -                                     |
| 540   | Transportation                   | 4,080,501   | -                                       | -                                     |
| 550   | Natural and Economic Environment | -   | -                                       | -                                     |
| 560   | Social Services                  | -   | -                                       | -                                     |
| 570   | Culture and Recreation           | -   | -                                       | -                                     |
| Total Expenditures:                                 |                                  | <u>4,080,501</u>                                      | <u>1,655,753</u>                        | <u>857,065</u>                        |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | 788,255   | 991,723                                 | 72,506                                |
| <b>Other Increases in Fund Resources</b>            |                                  |   |   |                                       |
| 391-393, 596  | Debt Proceeds                    | -   | -                                       | -                                     |
| 397   | Transfers-In                     | -   | -                                       | -                                     |
| 385   | Special or Extraordinary Items   | -   | -                                       | -                                     |
| 386 / 389   | Custodial Activities             | 10  | 675                                     | -                                     |
| 381, 395, 398                                       | Other Resources                  | 31,369  | -                                       | -                                     |
| Total Other Increases in Fund Resources:            |                                  | <u>31,379</u>   | <u>675</u>                              | <u>0</u>                              |
| <b>Other Decreases in Fund Resources</b>            |                                  |   |   |                                       |
| 594-595   | Capital Expenditures             | 452,023   | 1,013,007                               | -                                     |
| 591-593, 599  | Debt Service                     | -   | -                                       | -                                     |
| 597   | Transfers-Out                    | -   | -                                       | -                                     |
| 585   | Special or Extraordinary Items   | -   | -                                       | -                                     |
| 586 / 589   | Custodial Activities             | 10  | -                                       | -                                     |
| 581   | Other Uses                       | -   | -                                       | -                                     |
| Total Other Decreases in Fund Resources:            |                                  | <u>452,033</u>  | <u>1,013,007</u>                        | <u>0</u>                              |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b><u>367,601</u></b>                                 | <b><u>-20,609</u></b>                   | <b><u>72,506</u></b>                  |
| <b>Ending Cash and Investments</b>                  |                                  |   |   |                                       |
| 5081000   | Reserved                         | -   | -                                       | 600,451                               |
| 5088000   | Unreserved                       | 1,162,176   | 14,415                                  | -                                     |
| <b>Total Ending Cash and Investments</b>            |                                  | <b><u>1,162,176</u></b>                               | <b><u>14,415</u></b>                    | <b><u>600,451</u></b>                 |

*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, 2017**

|   |                                  | <b>530 HEALTH<br/>INSURANCE<br/>FUND</b> |
|---|----------------------------------|--|
| <b>Beginning Cash and Investments</b>               |                                  |  |
| 30810   | Reserved                         | 63,426                                   |
| 30880   | Unreserved                       | -  |
| 388 / 588   | Prior Period Adjustments, Net    | -  |
| <b>Revenues</b>                                     |                                  |  |
| 310   | Taxes                            | -  |
| 320   | Licenses and Permits             | -  |
| 330   | Intergovernmental Revenues       | -  |
| 340   | Charges for Goods and Services   | -  |
| 350   | Fines and Penalties              | -  |
| 360   | Miscellaneous Revenues           | -1,841                                   |
| Total Revenues:                                     |                                  | -1,841                                   |
| <b>Expenditures</b>                                 |                                  |  |
| 510   | General Government               | -  |
| 520   | Public Safety                    | -  |
| 530   | Utilities                        | -  |
| 540   | Transportation                   | -  |
| 550   | Natural and Economic Environment | -  |
| 560   | Social Services                  | -  |
| 570   | Culture and Recreation           | -  |
| Total Expenditures:                                 |                                  | 0  |
| Excess (Deficiency) Revenues over Expenditures:     |                                  | -1,841                                   |
| <b>Other Increases in Fund Resources</b>            |                                  |  |
| 391-393, 596  | Debt Proceeds                    | -  |
| 397   | Transfers-In                     | -  |
| 385   | Special or Extraordinary Items   | -  |
| 386 / 389   | Custodial Activities             | 137,832                                  |
| 381, 395, 398                                       | Other Resources                  | -  |
| Total Other Increases in Fund Resources:            |                                  | 137,832                                  |
| <b>Other Decreases in Fund Resources</b>            |                                  |  |
| 594-595   | Capital Expenditures             | -  |
| 591-593, 599  | Debt Service                     | -  |
| 597   | Transfers-Out                    | -  |
| 585   | Special or Extraordinary Items   | -  |
| 586 / 589   | Custodial Activities             | 159,512                                  |
| 581   | Other Uses                       | -  |
| Total Other Decreases in Fund Resources:            |                                  | 159,512                                  |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                  | <b>-23,521</b>                           |
| <b>Ending Cash and Investments</b>                  |                                  |  |
| 5081000   | Reserved                         | 39,905                                   |
| 5088000   | Unreserved                       | -  |
| <b>Total Ending Cash and Investments</b>            |                                  | <b>39,905</b>                            |

*The accompanying notes are an integral part of this statement.*

**Stevens County**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

|           |  | <b>Total for All<br/>Funds<br/>(Memo Only)</b> | <b>Private-Purpose<br/>Trust</b> | <b>Agency</b> |
|-----------|--|--|----------------------------------|---------------|
| 308       | Beginning Cash and Investments                   | 31,082,804                                     | 274,258                          | 30,808,546    |
| 388 & 588 | Prior Period Adjustment, Net                     | -  | -                                | -             |
| 310-390   | Additions  | 120,067,793                                    | 5,818,451                        | 114,249,342   |
| 510-590   | Deductions                                       | 125,341,939                                    | 5,813,785                        | 119,528,154   |
|           | Net Increase (Decrease) in Cash and Investments: | -5,274,146                                     | 4,666                            | -5,278,812    |
| 508       | Ending Cash and Investments                      | 25,808,658                                     | 278,924                          | 25,529,734    |

STEVENS COUNTY

NOTES TO FINANCIAL STATEMENTS  
January 1, 2017 to December 31, 2017

**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

Stevens County has no permanent funds.

### 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. On December 28, 2016 the Stevens County Commissioners approved Policy # 4-2016 which stated:

Responsibility for Budget Management and Budgetary Control System

Except for Public Works Funds and New Alliance Counseling Services for whom the Board maintains final management authority over the Department Heads, the County will maintain a budgetary control system to help it adhere to the budget. The Budget is reviewed at the line item level for all remaining funds. All individual line items in the following object codes: Salary and Wages (10's), Personnel Benefits (20's), Intergovernmental Services (50's), Capital Outlay (60's), Debt Service – Principal (70's), and Debt Service – Interest (80's) are adopted by line item and would require Board approval to transfer/use an appropriation from one line

to fund another line item. Elected Officials/Department Heads will have the authority to expend the following object codes; Supplies (30's) and Services (40's) interchangeable.

Public Works Funds (110) Road, (115) – Paths & Trails, (410) – Solid Waste, and (501) – ER&R will be budgeted at Basub level (53700, 54300, 54400, etc.) which is reflective of their project budgeting and coincides with the cost accounting system (WINCAMS) used internally. The BOCC will receive a monthly report created from WINCAMS to review more detailed information.

New Alliance Counseling Services – The budget is reviewed at the line item level for all individual line items in the following object codes: Personnel Benefits (20's), Intergovernmental Services (50's), Capital Outlay (60's), Debt – Principal (70's) and Debt Service – Interest (80's) are adopted by line item and would require Board approval to transfer/use an appropriation from one line to fund another line item. The Department Head will have the authority to expand the following object codes: Supplies (30's) and Services (40's) interchangeable, with the exception of the inter-fund transactions that are recorded in the 40's. For object codes in Salary (10's), the budget will be adopted at the individual object code. For example, all salaries budgeted in the object code 10 and overtime and crisis on-call are budgeted in object code 12 and to move between the two object codes would require Board approval and a budget transfer.

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.                 | \$ 721,060                 | \$ 675,632          | \$ 45,428             |
| Accumulated Emp. Sev.     | 110,000                    | 95,134              | 14,866                |
| Assessor                  | 944,932                    | 853,018             | 91,914                |
| Auditor                   | 663,384                    | 617,753             | 45,631                |
| CASA                      | 169,375                    | 118,497             | 50,878                |
| Clerk – S.C.              | 392,691                    | 383,739             | 8,952                 |
| Commissioners             | 654,418                    | 590,051             | 64,367                |
| Coroner                   | 193,022                    | 188,583             | 4,439                 |
| District Court            | 660,287                    | 583,254             | 77,033                |
| Elections                 | 317,550                    | 303,659             | 13,891                |
| Emergency Management      | 213,416                    | 111,792             | 101,624               |
| WSU Extension             | 188,806                    | 170,728             | 18,078                |
| Facilities                | 551,338                    | 513,119             | 38,219                |
| Fairgrounds Facilities    | 229,350                    | 210,167             | 19,183                |
| Finance & Human Resources | 142,404                    | 141,108             | 1,296                 |
| Juvenile                  | 998,876                    | 916,736             | 82,140                |
| LEOFF Retirement          | 50,000                     | 34,660              | 15,340                |
| Land Service              | 1,425,036                  | 1,018,193           | 406,843               |
| Prosecutor/Child Support  | 1,595,071                  | 1,496,171           | 98,900                |
| Public Health             | 564,266                    | 564,266             | -                     |
| Sheriff                   | 4,305,366                  | 4,115,187           | 190,179               |
| Sheriff Jail              | 1,556,293                  | 1,503,857           | 52,436                |
| Superior Court            | 630,957                    | 606,685             | 24,272                |
| Indigent Defense          | 625,328                    | 608,990             | 16,338                |
| Treasurer                 | <u>499,149</u>             | <u>474,310</u>      | <u>24,839</u>         |
| Total Current Expense     | 18,402,375                 | 16,895,289          | 1,507,086             |
| Performing Arts           | 37,887                     | 36,234              | 1,653                 |
| Crime Victims             | 40,200                     | 24,327              | 15,873                |
| Road                      | 15,237,390                 | 9,645,138           | 5,592,252             |
| Paths & Trails            | -                          | -                   | -                     |
| Homelessness              | 207,600                    | 196,197             | 11,403                |
| NEW Alliance C.S.         | 11,424,180                 | 9,996,013           | 1,428,167             |
| Low-Income Housing        | 51,000                     | 50,462              | 538                   |
| Veterans Relief           | 45,000                     | 31,346              | 13,654                |
| Law Library               | 14,400                     | 4,381               | 10,019                |
| Auditor O&M               | 155,400                    | 96,518              | 58,882                |

|                            |                     |                     |                     |
|----------------------------|---------------------|---------------------|---------------------|
| N.E.W. Fair                | 89,550              | 85,826              | 3,724               |
| Treasurer's O&M            | 63,900              | 49,853              | 14,047              |
| Weed Control               | 239,316             | 211,381             | 27,935              |
| Little P.O. L. M 1-2013    | 25,000              | 6,423               | 18,577              |
| Loon .Lake L. M. 2-2013    | 65,000              | 14,609              | 50,391              |
| Family Law Facilitator     | 19,874              | 14,558              | 5,316               |
| Deer Lake L. M 2011        | 250                 | 1,575               | (1,325)             |
| Guardian Facilitator       | 1,200               | 100                 | 1,100               |
| Drug Investigation         | 39,250              | 1,116               | 38,134              |
| State Drug Forfeiture      | -                   | -                   | -                   |
| Federal Drug Forfeiture    | 56,800              | 42,502              | 14,298              |
| Emergency Comm.-911        | 1,670,555           | 1,602,121           | 68,434              |
| Inmate Welfare             | 8,570               | 5,552               | 3,018               |
| County Vehicle Replacement | 200,000             | 187,032             | 12,968              |
| Trial Court Improvement    | 75,100              | 79,656              | (4,556)             |
| REET Electronic Technology | 55,000              | 55,000              | -                   |
| Deer Lake L.M. – 2016      | 25,000              | 21,751              | 3,249               |
| C.E. G.O. Bond             | 84,314              | 83,846              | 468                 |
| Capital Projects           | 325,688             | 236,119             | 89,569              |
| Public Facilities          | 200,142             | 198,892             | 1,250               |
| Sheriff's Ambulance        | 1,052,342           | 907,952             | 144,390             |
| Solid Waste - 1            | 2,819,173           | 1,964,790           | 854,383             |
| Equipment Rental           | 5,258,061           | 4,532,534           | 725,527             |
| Informational Service      | 2,719,187           | 2,668,760           | 50,427              |
| Insurance Service          | 971,826             | 857,065             | 114,761             |
| Health Insurance Service   | <u>200,000</u>      | <u>159,511</u>      | <u>40,489</u>       |
| Totals                     | <u>\$61,880,530</u> | <u>\$50,974,429</u> | <u>\$10,906,101</u> |

1. Reduced budget and actual due to elimination of transfer between Solid Waste, Landfill Closure and Landfill Post-Closure in the amount of \$155,991

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 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, 2017 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 \$ 524,793.

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.

Privacy and Network Liability coverage is offered with a \$10,000 member deductible and \$40,000 self-insured retention for systems using encryption and \$50,000 member deductible and \$50,000 self-insured retention for those without encryption.

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 ending December 1, 2017 were \$511,199.05

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 2017 for unemployment claims was \$ 69,697. In 2017, \$121,695, representing 1% of each department's payroll, was collected by the Insurance Service Fund, In December 2017 the County Commissioners suspended the collection of the 1% from each department. On December 31, 2017 an accumulated reserve for future claims amounted to \$579,943.

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, 2016 and 2017 in the amount of \$19,586 and \$10,754 respectively.

In 2016 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, 2017 was \$7,629.

Performing Arts & Tourism (106-999-010) \$53,408 reserved by statute related to limited use of Lodging tax proceeds.

Crime Victims & Witness Fund: (107-999-010) \$79,655 reserved by statute related to court fees dedicated to crime victims and witnesses.

Road Fund: (110-999-010) \$7,444,250 reserved by statute related to road construction and maintenance.

Paths & Trails Fund: (115-999-030) \$249,427 reserved by statute to fund pathways for non-vehicle traffic.

Homelessness Fund: (121-999-010) \$552,709 reserved by statute related to recorded document surcharge to relieve homelessness.

N.E.W. Alliance Counseling Services Fund: (122-000-010) \$2,559,301 includes the advanced working capital provided by the Department of Social & Health Services in the amount of \$80,091 which is for the statutory requirements for Developmental Disabilities Services.

Very-Low Income Housing Fund: (123-999-010) \$67,512 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) \$87,877 reserved by statute requiring a portion of real property tax revenue be available to assist honorable discharged veterans in need.

Law Library Fund: (125-999010) \$24,473 reserved by statute to maintain library of law reference materials. It is funded by required court fees.

Auditor O&M Fund: (126-999-010) \$76,288 reserved by statute to maintain and preserve county documents. It is funded by recorded document surcharges. In 2018 it is expected this reserve will be used to replace the current recording computer systems.

Treasurer's O&M Fund: (129-999-010) \$72,511 reserved by statute related to property foreclosure. It is funded by foreclosure fees.

Weed Control Fund: (130-999-010) \$101,061 reserved by statute to address noxious weed control in the county. It is funded by special assessment of property owners.

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)           | \$ 53            |
| Deer Lake (formed in 2016) (180-999-010)           | 6,715            |
| Little Pend Oreille (formed in 2013) (131-801-010) | 34,754           |
| Loon Lake (formed in 2013) (131-802-010)           | <u>79,347</u>    |
| Total Reserved                                     | <u>\$120,869</u> |

Family Law Court Facilitator: (133-999-010) \$25,908 reserved for child custody resolution. Fees are collected through the court system.

Guardian Facilitator Fund: (139-999-010) \$120 reserved by statute to facilitate the resolution of guardianship matters. It is funded by required Superior Court fees.

Drug Investigation Fund (140-999-010) \$163,376 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: \$ 44,630 and \$42,721 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) \$17,884 reserved for products and services available to jail inmates.

County Vehicle Replacement Fund: (155-999-010) \$57,049 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) \$41,393 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) \$11,596 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) \$ 20,875 reserved for the principal and interest due on the county's fish hatchery purchase from Washington Department of Fish & Wildlife. The \$20,875 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) \$827,375 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) \$920,831 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) \$344,245 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) \$2,769,280 reserved to provide for the closing and post-closure costs of county solid waste landfills. The remaining \$1,861,031 is reserved for solid waste operations.

Insurance Service (520-999-010) \$ 600,451 reserved is for possible future cost of the county's self-insured unemployment costs.

Health Insurance (530-999-010) \$39,905 reserved for payments of health insurance 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 2017 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                           | \$1,531,431        | \$962,045           | \$2,493,476        |
| Investment Income                        | 17,313             | 8,287               | 25,600             |
| Transfers in from S.W.                   | 78,604             | 77,386              | 155,990            |
| Loan payment from 911<br>Emergency Comm. | <u>94,214</u>      | <u>          -</u>  | <u>94,214</u>      |
| Ending Cash                              | <u>\$1,721,562</u> | <u>\$ 1,047,718</u> | <u>\$2,769,280</u> |

**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, 2017 were held as follows:

| <u>Type of Investment</u> | <u>County's<br/>Own<br/>investments</u> | <u>Investments held by<br/>county as an agent<br/>for other local<br/>governments</u> | <u>Total</u>         |
|---------------------------|---|---|----------------------|
| L.G.I.P.                  | \$ 21,385,987                           | \$ 20,319,007   | \$ 41,704,994        |
| Pershing Safekeeping      | 430,000                                 | 0   | 430,000              |
| U.S. Bank                 | <u>8,072,973</u>                        | <u>          0</u>  | <u>8,072,973</u>     |
| Totals                    | <u>\$ 29,888,960</u>                    | <u>\$ 20,319,007</u>  | <u>\$ 50,207,967</u> |

Funds not invested with Local Government Investment Pool (LGIP) are held by Pershing Safekeeping and U.S. Bank.

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. \$776,000 has been repaid, leaving an outstanding balance of \$408,000. One-half of the interest is paid on June 1<sup>st</sup> and December 1<sup>st</sup> and principal is paid on December 1<sup>st</sup> of each year. The remaining annual County collections will be as follows:

| <u>Year</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|-------------|-------------------|------------------|-------------------|
| 2018        | 201,000           | 7,127            | 208,127           |
| 2019        | <u>207,000</u>    | <u>3,871</u>     | <u>210,871</u>    |
| Totals      | \$ <u>408,000</u> | \$ <u>10,998</u> | \$ <u>418,998</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 at 4.00% interest beginning on June 1 2015. The remaining County collections will be as follows:

| <u>Year</u> | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|-------------|-------------------|-----------------|-------------------|
| 2018        | 59,104            | 4,352           | 63,456            |
| 2019        | <u>64,330</u>     | <u>1,964</u>    | <u>66,294</u>     |
|             | \$ <u>123,434</u> | \$ <u>6,316</u> | \$ <u>129,750</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>      |
|-------------|-------------------|------------------|-------------------|
| 2018        | 390,000           | 13,157           | 403,157           |
| 2019        | <u>400,000</u>    | <u>5,700</u>     | <u>405,700</u>    |
|             | \$ <u>790,000</u> | \$ <u>18,857</u> | \$ <u>808,857</u> |

There was a loan made to Stevens County Fire District # 13 on January 3, 2017 for the purchase and improvement of a fire station in the amount of \$ 154,000. Interest payments of 2.0% began on June 1, 2017, 2017 and occur every six months. The interest rate shall be negotiated every five years and if agreement cannot be reached, then the rate shall not exceed The Local Government Investment Pool Rate plus 1.50%. Annual principal payments begin on December 1, 2017 and end on December 1, 2031. The remaining collections will be as follows:

| <u>Year</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|-------------|-------------------|------------------|-------------------|
| 2018        | \$ 9,000          | \$ 2,920         | \$ 11,920         |
| 2019        | 9,000             | 2,740            | 11,740            |
| 2020        | 10,000            | 2,560            | 12,560            |
| 2021        | 10,000            | 2,360            | 12,360            |
| 2022        | 10,000            | 2,160            | 12,160            |
| 2023-27     | 52,000            | 7,780            | 59,780            |
| 2028-31     | <u>46,000</u>     | <u>2,340</u>     | <u>48,340</u>     |
| Totals      | \$ <u>146,000</u> | \$ <u>22,860</u> | \$ <u>168,860</u> |

There was a loan made to Loon Lake Sewer District # 4 on April 14, 2017 for improvements to the sewer system in the amount of \$165,000. Interest payments of 2.15% began on December 1, 2017 and occur every six months. Annual principal payments began on

December 1, 2017 and end on December 1, 2021. The remaining collections will be as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>      |
|-------------|------------------|-----------------|-------------------|
| 2018        | \$ 30,000        | \$ 2,902        | \$ 32,902         |
| 2019        | 35,000           | 2,258           | 37,258            |
| 2020        | 35,000           | 1,505           | 36,505            |
| 2021        | <u>35,000</u>    | <u>753</u>      | <u>35,753</u>     |
| Total       | <u>\$135,000</u> | <u>\$ 7,418</u> | <u>\$ 142,418</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 2017 was \$1.619428 per \$1,000 on an assessed valuation of \$3,936,732,389 for a total Current Expense, Mental Health and Veterans levy of \$6,375,257. This includes a levy shift from Road to Current Expense in the amount of \$450,000.

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 2017 was \$1.625151 per \$1,000 of an assessed valuation of \$3,282,516,419 for a total Road levy of \$5,334,588. This net amount reflects a levy shift from Road to Current Expense in the amount of \$450,000.

**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 1/1/2017</u> | <u>New Loan</u> | <u>Repayment</u> | <u>Balance 12/31/2017</u> |
|-----------------------|---------------------|-------------------------|-----------------|------------------|---------------------------|
| E-911 Comm.           | Landfill Closure    | <u>\$ 337,058</u>       | <u>\$ 0</u>     | <u>\$ 94,214</u> | <u>\$ 242,844</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:

|                    | <b>Other</b>        | <b>Other</b>       |                     |
|--------------------|---------------------|--------------------|---------------------|
| <b><u>Year</u></b> | <b><u>Debt</u></b>  | <b><u>Debt</u></b> | <b><u>Total</u></b> |
|                    | Principal           | Interest           |                     |
| 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               |                     |                    |                     |
| 2023-27            | 716,114             | 85,082             | 801,196             |
| 2028-32            | 203,998             | 38,448             | 242,446             |
| 2033               | <u>54,763</u>       | <u>3,813</u>       | <u>58,576</u>       |
| Totals             | \$ <u>1,734,259</u> | \$ <u>241,467</u>  | \$ <u>1,975,726</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  | \$ 104,885           | \$ 10,137           | \$ 115,022          |
| 2007 – S.W. Public Works Trust Loan | \$ 1,097,778         | \$ 24,700           | \$ 1,122,478        |
| 2012 – Commissioner’s Building      | \$ 405,000           | \$ 167,000          | \$ 572,000          |
| 2013 – Fish Hatchery Complex        | \$ <u>126,596</u>    | <u>\$39,630</u>     | \$ <u>166,226</u>   |
| Total County Debt                   | \$ <u>1,734,259</u>  | \$ <u>241,467</u>   | \$ <u>1,975,726</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 2017 no fish sales were made

to the state so the required payment of \$10,389 reduced the accumulated excess payments in prior years from \$31,264 to \$20,875.

The dollar value of compensated absences is calculated based on the December 31, 2017 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, 2017 was \$80,291.

**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](http://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](http://www.ofm.wa.gov).

At June 30, 2017 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  | .001556 %           | \$ 73,833                |
| PERS 1 UAAL   | .111651 %           | \$ 5,297,927             |
| PERS 2/3  | .139380 %           | \$ 4,842,789             |
| PSERS 2   | .119209 %           | \$ 23,357                |
| Total Net Pension Liability reported on Schedule 09 |                     | \$ 10,237,906            |
| LEOFF 1   | .008803%            | \$ (133,561)             |
| LEOFF 2   | .061563%            | \$ (854,295)             |
| VFFRPF  | .100000%            | \$ (37,100)              |

**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 – FIDUCIARY ACTIVITIES**

Washington State law requires counties to act as a fiscal agent on behalf of special purpose districts. The resources collected and held for districts in a custodial capacity were previously omitted from the financial statements. Starting in fiscal year 2017, counties are required to report the custodial amounts on their financial statements. This requirement resulted in the addition of \$30,273,751 in beginning cash balance, \$99,848,023 in deposits, \$105,290,727 in expenditures and \$24,831,047 in ending cash being reported in the statement of Fiduciary Fund Resources and Uses Arising from Cash Transactions for the year ended December 31, 2017. In addition, these amounts are now required to be presented by fund type rather than by individual fund.

#### **NOTE 8 – OTHER DISCLOSURES**

In 2017 the Deer Lake Management District failed to properly extend their budget for billing and collection fees due to the Stevens County Treasurer. The Trail Court Improvement Fund failed to properly extend their budget for security services and equipment installed by the Stevens County Informational Services Department.

#### **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. Four retirees received \$34,660 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, 2017**

| <b>ID. No.</b> | <b>Description</b>  | <b>Due Date</b> | <b>Beginning Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending Balance</b> |
|----------------|---|-----------------|--------------------------|------------------|-------------------|-----------------------|
| 259.12         | Compensated Absences  |                 | 1,087,637                | 127,003          | -                 | 1,214,640             |
| 263.22         | Landfill Closure  |                 | 10,800,000               | -                | -                 | 10,800,000            |
| 263.22         | Landfill Post Closure                                       |                 | 9,000,000                | -                | -                 | 9,000,000             |
| 263.52         | Commissioner's Building                                     |                 | 425,000                  | -                | 20,000            | 405,000               |
| 263.84         | DSHS Developmental Disability                               | 12/31/2018      | 72,153                   | 7,938            | -                 | 80,091                |
| 263.84         | Fish Hatchery Complex                                       | 12/1/2033       | 132,481                  | -                | 5,884             | 126,597               |
| 263.88         | Public Works Trust Fund                                     | 7/1/2025        | 1,235,000                | -                | 137,222           | 1,097,778             |
| 263.92         | Bank of America - Ambulance Building                        | 12/1/2021       | 132,785                  | -                | 27,900            | 104,885               |
| 264.30         | Net Pension Liability                                       |                 | 14,210,371               | -                | 3,972,465         | 10,237,906            |
|                | <b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b> |                 | <b>37,095,427</b>        | <b>134,941</b>   | <b>4,163,471</b>  | <b>33,066,897</b>     |
|                | <b>Total Liabilities:</b>                                   |                 | <b>37,095,427</b>        | <b>134,941</b>   | <b>4,163,471</b>  | <b>33,066,897</b>     |

**Stevens County  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2017**

| Federal Agency<br>(Pass-Through Agency)  | Expenditures   |                |                       |                                 |                       | Passed through<br>to Subrecipients | Note          |       |
|--|--|----------------|-----------------------|---------------------------------|-----------------------|------------------------------------|---------------|-------|
|  | Federal Program  | CFDA<br>Number | Other Award<br>Number | From Pass-<br>Through<br>Awards | From Direct<br>Awards |                                    |               | Total |
| <b>Forest Service Schools and Roads Cluster</b>  |  |                |                       |                                 |                       |                                    |               |       |
| Forest Service, Department Of<br>Agriculture (via Washington State<br>Treasurer)   | Schools and Roads -<br>Grants to States  | 10.665         | n/a                   | 14,689                          | -                     | 14,689                             | -             | 1.2   |
|  | <b>Total Forest Service Schools and Roads Cluster:</b>   |                |                       | <b>14,689</b>                   | <b>-</b>              | <b>14,689</b>                      | <b>-</b>      |       |
| Office Of Community Planning And<br>Development, Department Of<br>Housing And Urban Development<br>(via Washington State Department of<br>Commerce, Community Services and<br>Facilities Division) | Community Development<br>Block Grants/State's<br>program and Non-<br>Entitlement Grants in<br>Hawaii | 14.228         | 16-62210-013          | 58,957                          | -                     | 58,957                             | 58,957        | 1.2   |
| Office Of Community Planning And<br>Development, Department Of<br>Housing And Urban Development<br>(via Washington State Department of<br>Commerce, Community Services and<br>Facilities Division) | Community Development<br>Block Grants/State's<br>program and Non-<br>Entitlement Grants in<br>Hawaii | 14.228         | 17-62210-013          | 35,061                          | -                     | 35,061                             | 35,061        | 1.2   |
|  | <b>Total CFDA 14.228:</b>  |                |                       | <b>94,018</b>                   | <b>-</b>              | <b>94,018</b>                      | <b>94,018</b> |       |
| Office For Victims Of Crime,<br>Department Of Justice (via<br>Washington Department of<br>Commerce, Community Services and<br>Housing Division, Office of Crime<br>Victims Advocacy)               | Crime Victim Assistance  | 16.575         | 18-31219-411          | 20,054                          | -                     | 20,054                             | 20,054        | 1.2   |
| Office For Victims Of Crime,<br>Department Of Justice (via<br>Washington State Department of<br>Commerce, Community Services and<br>Housing Division, Office of Crime<br>Victims Advocacy)         | Crime Victim Assistance  | 16.575         | S17-31102-536         | 29,085                          | -                     | 29,085                             | -             | 1.2   |
| Office For Victims Of Crime,<br>Department Of Justice (via<br>Washington State Department of<br>Commerce, Community Services<br>and Housinh Division, Office of Crime<br>Victims Advocacy)         | Crime Victim Assistance  | 16.575         | S18-31102-536         | 38,126                          | -                     | 38,126                             | -             | 1.2   |
|  | <b>Total CFDA 16.575:</b>  |                |                       | <b>87,265</b>                   | <b>-</b>              | <b>87,265</b>                      | <b>20,054</b> |       |
| Violence Against Women Office,<br>Department Of Justice (via<br>Washington State Department of<br>Commerce, Office of Crime Victims<br>Advocacy, Community Services and<br>Housing Division)       | Violence Against Women<br>Formula Grants   | 16.588         | 2013-WF-AX-<br>0055   | 16,222                          | -                     | 16,222                             | -             | 1.2   |
| Violence Against Women Office,<br>Department Of Justice (via<br>Washington State Department of<br>Commerce, Office of Crime Victims<br>Advocacy, Community Services and<br>Housing Division)       | Violence Against Women<br>Formula Grants   | 16.588         | F14-31103-064         | 13,325                          | -                     | 13,325                             | -             | 1.2   |
|  | <b>Total CFDA 16.588:</b>  |                |                       | <b>29,547</b>                   | <b>-</b>              | <b>29,547</b>                      | <b>-</b>      |       |
| Bureau Of Justice Assistance,<br>Department Of Justice   | Bulletproof Vest<br>Partnership Program  | 16.607         | 2012BUBX12060<br>702  | -                               | 1,274                 | 1,274                              | -             | 1.2   |

**Stevens County  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2017**

| Federal Agency<br>(Pass-Through Agency)  | Federal Program  | CFDA<br>Number | Other Award<br>Number | Expenditures                    |                       |                                    | Note    |
|--|--|----------------|-----------------------|---------------------------------|-----------------------|------------------------------------|---------|
|  |  |                |                       | From Pass-<br>Through<br>Awards | From Direct<br>Awards | Passed through<br>to Subrecipients |         |
| <b>Highway Planning and Construction Cluster</b>   |  |                |                       |                                 |                       |                                    |         |
| Federal Highway Administration<br>(fhwa), Department Of Transportation<br>(via Washington State Department of<br>Transportation)   | Highway Planning and<br>Construction                                     | 20.205         | HSIP-OOS(394)         | 384,277                         | -                     | 384,277                            | 1,2     |
|  | <b>Total Highway Planning and Construction Cluster:</b>                  |                |                       | <b>384,277</b>                  | -                     | <b>384,277</b>                     |         |
| <b>Highway Safety Cluster</b>  |  |                |                       |                                 |                       |                                    |         |
| National Highway Traffic Safety<br>Administration (nhtsa), Department<br>Of Transportation (via Washington<br>Association of Sheriffs and Police<br>Chiefs)  | State and Community<br>Highway Safety                                    | 20.600         | 120-6200-0            | 1,000                           | -                     | 1,000                              | 1,2     |
|  | <b>Total Highway Safety Cluster:</b>                                     |                |                       | <b>1,000</b>                    | -                     | <b>1,000</b>                       |         |
| Office Of Special Education And<br>Rehabilitative Services, Department<br>Of Education (via Washington State<br>Department of Social & Health<br>Services)   | Rehabilitation Services<br>Vocational Rehabilitation<br>Grants to States | 84.126         | 1663-70149            | 71,151                          | -                     | 71,151                             | 1,2     |
| Administration For Children And<br>Families, Department Of Health And<br>Human Services (via Washington<br>State Department of Social & Health<br>Services, Division of Child Support)   | Child Support Enforcement  | 93.563         | 2110-80609            | 156,219                         | -                     | 156,219                            | 1, 2, 7 |
| Administration For Children And<br>Families, Department Of Health And<br>Human Services (via Washington<br>State Department of Social & Health<br>Services)  | Child Support Enforcement  | 93.563         | 2110-80609            | 27,474                          | -                     | 27,474                             | 1, 2, 7 |
| Administration For Children And<br>Families, Department Of Health And<br>Human Services (via Washington<br>State Department of Social & Health<br>Services, Division of Child Support)   | Child Support Enforcement  | 93.563         | 0763-15107            | 2,702                           | -                     | 2,702                              | 1, 2, 7 |
|  | <b>Total CFDA 93.563:</b>  |                |                       | <b>186,395</b>                  | -                     | <b>186,395</b>                     |         |
| Substance Abuse And Mental Health<br>Services Administration, Department<br>Of Health And Human Services (via<br>Washington State Department of<br>Social & Health Services, Spokane<br>County Regional Behavioral Health<br>Organization) | Block Grants for<br>Community Mental Health<br>Services                  | 93.958         | 16BHO1929             | 36,300                          | -                     | 36,300                             | 1,2     |
| Substance Abuse And Mental Health<br>Services Administration, Department<br>Of Health And Human Services (via<br>Washington State Department of<br>Social & Health Services, Spokane<br>County Regional Behavioral Health<br>Organization) | Block Grants for<br>Community Mental Health<br>Services                  | 93.958         | 16BHO1930             | 41,473                          | -                     | 41,473                             | 1,2     |
|  | <b>Total CFDA 93.958:</b>  |                |                       | <b>77,773</b>                   | -                     | <b>77,773</b>                      |         |

**Stevens County  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2017**

| Federal Agency<br>(Pass-Through Agency)   | Federal Program  | CFDA<br>Number | Other Award<br>Number | Expenditures                    |                       | Passed through<br>to Subrecipients | Note           |
|---|--|----------------|-----------------------|---------------------------------|-----------------------|------------------------------------|----------------|
|   |  |                |                       | From Pass-<br>Through<br>Awards | From Direct<br>Awards |                                    |                |
|   |  |                |                       |                                 | Total                 |                                    |                |
| Substance Abuse And Mental Health<br>Services Administration, Department<br>Of Health And Human Services (via<br>Washington State Department of<br>Social & Health Services, Spokane<br>Regional Behavioral Health<br>Organization) | Block Grants for<br>Prevention and Treatment<br>of Substance Abuse | 93.959         | 16hbo1930             | 21,935                          | -                     | 21,935                             | 1,2            |
| Substance Abuse And Mental Health<br>Services Administration, Department<br>Of Health And Human Services (via<br>Washington State Department of<br>Social & Health Services, Spokane<br>regional Behavioral Health<br>Organization) | Block Grants for<br>Prevention and Treatment<br>of Substance Abuse | 93.959         | 17BHO2118             | 19,005                          | -                     | 19,005                             | 1,2            |
| <b>Total CFDA 93.959:</b>   |  |                |                       | <b>40,940</b>                   | -                     | <b>40,940</b>                      |                |
| Federal Emergency Management<br>Agency (fema), Department Of<br>Homeland Security (via Washington<br>State Military Department)   | Emergency Management<br>Performance Grants                         | 97.042         | E17-146               | 25,245                          | -                     | 25,245                             | 1,2            |
| Federal Emergency Management<br>Agency (fema), Department Of<br>Homeland Security (via Spokane<br>County Department of Emergency<br>Management)   | Homeland Security Grant<br>Program                                 | 97.067         | E17-082               | 24,851                          | -                     | 24,851                             | 1,2            |
| Federal Emergency Management<br>Agency (fema), Department Of<br>Homeland Security (via Spokane<br>County Department of Emergency<br>Management)   | Homeland Security Grant<br>Program                                 | 97.067         | E17-097               | 15,000                          | -                     | 15,000                             | 1,2            |
| Federal Emergency Management<br>Agency (fema), Department Of<br>Homeland Security (via Washington<br>State Military Department,<br>Emergency Management Division)   | Homeland Security Grant<br>Program                                 | 97.067         | E16-194               | 29,208                          | -                     | 29,208                             | 1,2            |
| Federal Emergency Management<br>Agency (fema), Department Of<br>Homeland Security (via Washington<br>State Military Department,<br>Emergency Management Division)   | Homeland Security Grant<br>Program                                 | 97.067         | E17-158               | 27,265                          | -                     | 27,265                             | 1,2            |
| <b>Total CFDA 97.067:</b>   |  |                |                       | <b>96,324</b>                   | -                     | <b>96,324</b>                      |                |
| <b>Total Federal Awards Expended:</b>   |  |                |                       | <b>1,108,624</b>                | <b>1,274</b>          | <b>1,109,898</b>                   | <b>114,072</b> |

**STEVENS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2017**

NOTE 1 – BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the county's financial statements. Stevens County uses a cash basis for all funds.

NOTE 2 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal portion of 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 7 – INDIRECT COST RATE

The amount expended includes \$9,713 claimed as an indirect cost recovery using an approved indirect cost rate of 8.80%. The County has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

## ABOUT THE STATE AUDITOR’S OFFICE

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

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

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

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

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

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

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

| <b>Contact information for the State Auditor’s Office</b> |  |
|---|--|
| <b>Public Records requests</b>                            | <a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a> |
| <b>Main telephone</b>                                     | (360) 902-0370   |
| <b>Toll-free Citizen Hotline</b>                          | (866) 902-3900   |
| <b>Website</b>  | <a href="http://www.sao.wa.gov">www.sao.wa.gov</a>                     |