



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Chelan-Douglas Health District

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

Published October 15, 2018

Report No. 1022314





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

October 15, 2018

Board of Health
Chelan-Douglas Health District
East Wenatchee, Washington

Report on Financial Statements

Please find attached our report on the Chelan-Douglas Health District's financial statements.

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

Sincerely,

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

Pat McCarthy
State Auditor
Olympia, WA

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**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**

**Chelan-Douglas Health District
January 1, 2017 through December 31, 2017**

Board of Health
Chelan-Douglas Health District
East Wenatchee, 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 the Chelan-Douglas Health District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 20, 2018.

We issued an unmodified opinion on the fair presentation of the District'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 District 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 1(m) to the financial statements, in 2017 the District began reporting the financial activity of the North Central Accountable Community of Health (NCACH) on the Statement of Fiduciary Fund Resources and Uses Arising from Cash Transactions.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

In addition, we noted certain matters that we have reported to the management of the District in a separate letter dated September 27, 2018.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of the District'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 District'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 District'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 20, 2018

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Chelan-Douglas Health District January 1, 2017 through December 31, 2017

Board of Health
Chelan-Douglas Health District
East Wenatchee, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Chelan-Douglas Health District, for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 11.

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 District'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 District'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, the Chelan-Douglas Health District 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 the Chelan-Douglas Health District, 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 District 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 the Chelan-Douglas Health District, 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 1(m) to the financial statements, in 2017 the District began reporting the financial activity of the North Central Accountable Community of Health (NCACH) on the Statement of Fiduciary Fund Resources and Uses Arising from Cash Transactions. 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 Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2018 on our consideration of the District'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 District's internal control over financial reporting and compliance.

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

Pat McCarthy

State Auditor

Olympia, WA

September 20, 2018

FINANCIAL SECTION

Chelan-Douglas Health District 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

Chelan-Douglas Health District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

Beginning Cash and Investments

30810	Reserved	449,726
30880	Unreserved	943,018
388 / 588	Prior Period Adjustments, Net	-

Revenues

310	Taxes	-
320	Licenses and Permits	784,609
330	Intergovernmental Revenues	1,698,671
340	Charges for Goods and Services	526,757
350	Fines and Penalties	11,950
360	Miscellaneous Revenues	10,673
Total Revenues:		3,032,659

Expenditures

510	General Government	-
560	Social Services	3,381,575
Total Expenditures:		3,381,575
Excess (Deficiency) Revenues over Expenditures:		(348,915)

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	111,234
381, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		111,234

Other Decreases in Fund Resources

594-595	Capital Expenditures	-
591-593, 599	Debt Service	77,493
597	Transfers-Out	-
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	110,103
Total Other Decreases in Fund Resources:		187,596

Increase (Decrease) in Cash and Investments: **(425,277)**

Ending Cash and Investments

5081000	Reserved	-
5088000	Unreserved	967,466
Total Ending Cash and Investments		967,466

The accompanying notes are an integral part of this statement.

Chelan-Douglas Health District
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2017

	Agency	
308	Beginning Cash and Investments	-
388 & 588	Prior Period Adjustment, Net	-
310-390	Additions	6,021,138
510-590	Deductions	77,771
	Net Increase (Decrease) in Cash and Investments:	5,943,367
508	Ending Cash and Investments	5,943,368

The accompanying notes are an integral part of this statement.

CHELAN-DOUGLAS HEALTH DISTRICT
Notes to Financial Statements
January 1, 2017 through December 31, 2017

The following notes are an integral part of the accompanying financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Chelan-Douglas Health District was incorporated on February 6, 1961, and operates under the laws of the state of Washington applicable to a Health District. The District is a general purpose government entity and provides personal health, environmental health and community preparedness services.

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

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

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 are used:

GOVERNMENTAL FUND TYPES:

General Fund

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

FIDUCIARY FUND TYPES:

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

Agency Funds

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

b) **Basis of Accounting**

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.

c) Budgets

Annual budgets are adopted for District funds and approved by the Board of Health. The Administrator seeks Board approval for major changes during the year.

d) Cash and Investments

See NOTE 2 – DEPOSITS AND INVESTMENTS

e) Duties of Chelan County

As required by statute, Chelan County serves as the District's Treasurer of the District's financial activity, issues District Warrants, and prepares cash receipts and disbursement reports.

f) Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditure when purchased.

g) Compensated Absences

Vacation leave may be accumulated indefinitely, but is adjusted down to 240 hours if not used by year end. A maximum of 240 hours of accumulated vacation leave is payable upon separation or retirement.

Sick leave may be accumulated indefinitely. Upon separation or retirement, eligible employees who have been employed for at least three years at the District receive 25% of up to 240 hours accumulated sick leave (max 60 hours).

h.) Long-Term Debt - See NOTE 4

i) Nonrevenue and Nonexpenditure

Vital Stats fee payable January – December, 2017, to the State of Washington was \$111,234. State death investigation fee is collected at \$8.00 per birth or death certificate. State health statistics fee is collected at \$2.00 for each birth certificate and first copy of death certificate issued. State health statistics fee is collected at \$9.00 for each additional copy issued for a death certificate. Vital Stats paid to State of Washington (for December, 2016 through December, 2017) was \$119,250. Funds were paid on a monthly basis and paid in month following the month funds were earned.

j.) Risk Management - See NOTE 5

k.) Related Parties

Per RCW 70.46.080, each county which is included in the District shall contribute such sums towards the expense for maintaining and operating the District as shall be agreed upon between it and the local board of health in accordance with guidelines established by the state board of health. In 2017, the District received \$244,185 in discretionary funding and \$40,504 to support the TB program

from Chelan County, and \$137,633 in discretionary funding and \$35,496 to support the TB program from Douglas County.

Chelan-Douglas Health District is the administrative host of North Central Accountable Community of Health (NCACH), a State of Washington nonprofit corporation, by way of Board approved fee-for-service Hosting Services Agreement which replaces and supersedes CDHD Resolution 2016-002. Under the Hosting Services Agreement, NCACH employees are District employees and NCACH will pay the salary and benefits of said employees in addition to a hosting fee of 15% of total NCACH expenditures. In 2017, the District received \$55,815.89 to cover applicable salary and benefit costs and \$10,144 as a hosting fee.

l.) Reserved Funds

As of December 31, 2017, the District has a reserved fund balance of \$5,923,467, which includes the total Fiduciary Fund balance for North Central Accountable Community of Health.

m.) Statement of Fiduciary Fund Resources and Uses Arising from Cash Transactions

Chelan-Douglas Health District is the administrative host of North Central Accountable Community of Health (NCACH), a State of Washington nonprofit corporation, by way of Board approved fee-for-service Hosting Services Agreement which replaces and supersedes CDHD Resolution 2016-002. As such, financial activity of NCACH will be reported on Statement C5 in the District's financial statements.

NOTE 2 – DEPOSITS & INVESTMENTS

It is the District's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statement of fund resources and uses arising from cash transactions. 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. All investments are insured, registered or held by the District or its agent in the government's name. As required by statute, Chelan County is the custodian for all District investments. All of the District's investments are invested in the Washington State Treasurers Local Government Investment Pool. Investments by type at December 31, 2017 are as follows:

Type of Investment	Chelan-Douglas Health District's <u>own</u> investments	Investments held by Chelan-Douglas Health District as an agent for other local governments, individuals or private organizations	Total
L.G.I.P	\$931,002.85	\$5,923,467.31	\$6,854,470.16

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

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

There have been no expenditures exceeding legal appropriations in the District's fund.

NOTE 4 – LONG TERM DEBT

Building Purchase – The Health District has signed a Real Estate Installment Sales Contract by and between Chelan Douglas Health District and M&J Enterprises Limited Partnership to purchase a building and property at 200 Valley Mall Parkway, East Wenatchee, Washington 98802. Authorization was given to the Chair of the Board of Health to negotiate a final contract at the Board's March 15, 1999 meeting. Purchase price of the Property was \$1,300,000, less a down payment paid by the Health District in the amount of \$300,000. The remaining purchase price in the amount of \$1,000,000 was to be paid on an installment basis in accordance with the contract in equal monthly payments amortized over 20 years. On July 18, 2001 M&J Enterprises Limited Partnership assigned this real estate contract recorded under Auditor's File Number 3022989, records of Douglas County, Washington, to North Cascades National Bank. Effective September 1, 2001, payments are made to North Cascades National Bank.

On April 1, 2012, the Health District and North Cascades National Bank negotiated an interest rate reduction from 5.6% to 3.75% for the balance of the loan (7 years, 4 months remaining).

In 2017, the District paid principal of \$71,570.36 and interest of \$5,923.52 for a total of \$77,492.88. The accompanying Schedule of Long Term Debt provides a listing of outstanding debt of the District as of December 31, 2017. The debt service requirements, including interest, are as follows:

Years Ending December 31	Principal	Interest	Total
2018	\$ 74,300.85	\$ 3,192.03	\$ 77,492.88
2019	\$ 44,643.99	\$ 559.78	\$ 45,203.77
Total	\$ 118,944.84	\$ 3,751.81	\$ 122,696.65

NOTE 5 – RISK MANAGEMENT

The District is a member of Enduris. Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. Enduris was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW. Two (2) counties and two (2) cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to fund their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2014, there are 491 Enduris members representing a broad array of special purpose districts throughout the state.

Enduris members share in the self-insured retention, jointly purchase excess and/or reinsurance coverage and provide risk management services and other related administrative services. Enduris provides “per occurrence” based policies for all lines of liability coverage including Public Official’s Liability. The Property coverage is written on an “all risk”, blanket basis using current Statement of Values. The Property coverage includes but is not limited to mobile equipment, electronic data processing equipment, business interruption, course of construction and additions, property in transit, fine arts, and automobile physical damage to insured vehicles. Boiler and machinery coverage is included on a blanket limit of \$100 million for all members. Enduris offers crime coverage up to a limit of \$1,000,000 per occurrence.

Members make an annual contribution to fund Enduris. Enduris acquires reinsurance from unrelated insurance companies on a “per occurrence” basis:

- \$1,000,000 deductible on liability loss - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$999,000 on liability loss.
- \$250,000 deductible on property loss - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$249,000 on property loss.
- Enduris is responsible for the \$4,000 deductible on boiler and machinery loss.

Insurance carriers cover all losses over the deductibles as shown on the policy maximum limits. Since Enduris is a cooperative program, there is a joint liability among the participating members.

The contract requires members to continue membership for a period of not less than one (1) year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with Enduris and are administered in house.

A Board of Directors consisting of seven (7) board members governs Enduris. Its members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of Enduris

NOTE 6 – PENSION PLANS

Substantially all of the District’s full-time and qualifying part-time employees participate in PERS administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The State Legislature establishes, and amends, laws pertaining to the creation and administration for 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 obtaining by writing to:

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

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

At June 30, 2017 (the measurement date of the plans), the Health District proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was a follows:

	Allocation %	Liability (Asset)
PERS 1	0.016304%	\$ 773,638
PERS 2/3	0.019628%	\$ 681,979

NOTE 7 – UNION CONTRACT

On January 28, 2002 the first Collective Bargaining Agreement between Chelan-Douglas Health District and International Federation of Professional and Technical Engineers AFL-CIO Local 17 was signed. This contract was in effect until December 31, 2005. On January 23, 2006, the contract was extended until December 31, 2006. On March 19, 2007, a new three-year Agreement was signed, which was in effect until December 31, 2009. On November 16, 2009, the agreement was extended until December 31, 2010. On July 19, 2011 a new three-year agreement, effective 2011-2013, was signed, and was in effect until December 31, 2013. On January 27, 2014, a new three-year agreement, effective 2014-2016, was signed. The current contract calls for no Cost of Living Adjustment (COLA) in 2014, and annual negotiations for COLAS effective January 1, 2015 and January 1, 2016. In December, 2014, a 2% COLA, effective January 1, 2015, and another 2% COLA, effective January 1, 2016 was negotiated. On December 19, 2016, a new three-year agreement, effective 2017-2019, was signed. The current contract calls for no Cost of Living Adjustment (COLA) in 2017, a 1% COLA, effective January 1, 2018, and a 2% COLA, effective January 1, 2019.

The District recognizes Local 17 as the exclusive bargaining representative for all regular full time and part time non-supervisory staff exclusive of casual and confidential employees otherwise excluded from membership by other sections of this agreement; and in a separately certified unit, all supervisory staff not otherwise excluded as confidential or otherwise excluded from collective bargaining units under RCW 46.51, or otherwise excluded from membership by other sections of this agreement.

**Chelan-Douglas Health District
Schedule of Liabilities
For the Year Ended December 31, 2017**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		141,932	31,103	-	173,035
264.30	Pension Liabilities		1,808,522	-	352,905	1,455,617
263.62	Building Owner Contract	8/1/2019	190,515	-	71,570	118,945
Total Revenue and Other (non G.O.) Debt/Liabilities:			2,140,969	31,103	424,475	1,747,597
Total Liabilities:			2,140,969	31,103	424,475	1,747,597

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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