



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

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

## **Skamania County**

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

**Published November 1, 2018**

**Report No. 1022541**





## Office of the Washington State Auditor

**Pat McCarthy**

November 1, 2018

Board of Commissioners  
Skamania County  
Stevenson, Washington

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

Please find attached our report on Skamania 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

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

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

The results of our audit of Skamania 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 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
20.224	Highway Planning and Construction Cluster – Federal Lands Access Program
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

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

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

See finding 2017-001.

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

None reported.

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### Skamania County

January 1, 2017 through December 31, 2017

**2017-001    The County should improve internal controls over accounting and financial statement preparation to ensure accurate reporting.**

#### *Background*

The County's governing body and management are responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of financial reporting.

#### *Description of Condition*

We identified the following deficiencies in internal controls over accounting and financial reporting that, when taken together, result in a material weakness. The County did not have:

- An adequate system in place to ensure balances and activity reported on the financial statements reconciled to banking activity
- An adequate review to ensure that County and fiduciary activity excluded internal transfers and prior-year transactions

#### *Cause of Condition*

Staff responsible for financial statement preparation lacked the technical knowledge to identify fiduciary and interfund activity that should not have been reported on the financial statements. In addition, the County has not provided sufficient resources, including training, for preparing and reviewing the financial statements to ensure they are accurate.

#### *Effect of Condition*

Our audit identified the following misstatements on the financial statements:

- The County's ending cash was overstated on the financial statements by \$38,090 because of errors in reconciling items.
- Fiduciary additions and deductions were both over-reported by \$4.9 million because interfund activity was included that should have been eliminated.

- The County included prior-year activity of \$1.3 million, resulting in an overstatement of additions within the fiduciary funds and an overstatement of expenditures/deductions between County and fiduciary funds.

The County subsequently corrected these errors in the financial statements.

### ***Recommendations***

We recommend the County:

- Establish controls to reconcile all County and fiduciary banking activity to the financial statements to ensure the amounts reported on the financial statements are accurate and complete
- Provide training and establish controls to ensure staff responsible for reviewing the financial statements can effectively identify errors in financial reporting

### ***County's Response***

*Skamania County and staff thank the State Auditor's Office for their time and patience during this Audit.*

*Skamania County accepts and understands the information provided in the Audit Finding 2017-001. We were not up on a new reporting requirement which was the culprit for the \$4.9 million reporting error and will be taken care of going forward. The prior year error of \$1.3 million was a reconciling item and will not happen again. Over the past 4 years we have strived to make positive changes to the process and have come a long way. We will continue and strive to keep pace with process changes.*

*Moving forward the County will request someone from the Performance Center to help review our daily processes, global balancing, the annual financial review process, and education on new audit standards. We will continue to work closely with our CPA to review the annual report using the SAO checklist and we will continue to strengthen our processes.*

### ***Auditor's Remarks***

We appreciate the County's commitment to resolve this finding and thank the County for its cooperation and assistance during the audit. We will review the corrective action taken during our next regular audit.

## ***Applicable Laws and Regulations***

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

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 256, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.09.200 – Local government accounting – Uniform system of accounting, gives the state auditor the authority to formulate, prescribe and install a uniform system of accounting and reporting for all local governments.

*The Budgeting, Accounting and Reporting System (BARS) Manual*, 3.1.3, Internal Control, requires each local government to establish and maintain an effective system of internal controls that provides reasonable assurance that the government will achieve its objectives.

*The Budgeting, Accounting and Reporting System (BARS) Manual*, 4.3.12, Fund Resources and Uses Arising from Cash Transactions (C-4), requires the statement C-4 should be prepared for the general (current expense) fund and all other governmental, and proprietary funds.

*The Budgeting, Accounting and Reporting System (BARS) Manual*, 4.3.13, Fiduciary Fund Resources and Uses Arising from Cash Transactions (C-5), requires the statement should be prepared for all trust and agency funds with the exception of payroll and claims clearing funds.



**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**

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

Board of Commissioners  
Skamania County  
Stevenson, 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 Skamania 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 October 25, 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 9 to the financial statements, during the year ended December 31, 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.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) to determine the audit procedures that

are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Audit Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

*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. We consider the deficiencies described in the accompanying Schedule of Audit Findings and Responses as Finding 2017-001 to be material weaknesses.

## COMPLIANCE AND OTHER MATTERS

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

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

## COUNTY'S RESPONSE TO FINDINGS

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

## PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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Pat McCarthy

State Auditor

Olympia, WA

October 25, 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**

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

Board of Commissioners  
Skamania County  
Stevenson, Washington

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

We have audited the compliance of Skamania 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, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy  
State Auditor  
Olympia, WA

October 25, 2018

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

Board of Commissioners  
Skamania County  
Stevenson, Washington

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Skamania 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 19.

#### **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, Skamania 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 Skamania 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 Skamania 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 9 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 October 25, 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.

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

October 25, 2018

## **FINANCIAL SECTION**

### **Skamania 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

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

		<b>Total for All Funds (Memo Only)</b>	<b>001 CURRENT EXPENSE</b>	<b>112 TREASURER'S MAINTENANCE</b>	<b>114 COMMUNITY HEALTH</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	6,577,865	822,175	9,357	586,968
30880	Unreserved	2,886,694	1,439,204	-	-
388 / 588	Prior Period Adjustments, Net	1,244,533	1,249,787	-	(160)
<b>Revenues</b>					
310	Taxes	6,315,361	3,445,219	-	205,558
320	Licenses and Permits	222,370	216,870	-	-
330	Intergovernmental Revenues	5,136,663	1,811,591	-	350,059
340	Charges for Goods and Services	5,253,561	1,621,427	5,338	1,079,124
350	Fines and Penalties	199,538	181,119	-	-
360	Miscellaneous Revenues	994,238	695,375	-	1,692
Total Revenues:		18,121,731	7,971,600	5,338	1,636,433
<b>Expenditures</b>					
510	General Government	5,260,912	5,171,995	-	-
520	Public Safety	4,564,040	3,679,882	-	-
530	Utilities	993,393	-	-	-
540	Transportation	3,635,204	-	-	-
550	Natural and Economic Environment	1,117,653	822,364	-	-
560	Social Services	2,713,246	180,868	-	1,658,177
570	Culture and Recreation	270,032	231,126	-	-
Total Expenditures:		18,554,481	10,086,235	-	1,658,177
Excess (Deficiency) Revenues over Expenditures:		(432,749)	(2,114,634)	5,338	(21,744)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	286,630	57,829	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	47,448	26,890	-	-
381, 395, 398	Other Resources	1,841,053	1,561,817	-	128,958
Total Other Increases in Fund Resources:		2,175,130	1,646,536	-	128,958
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	1,817,494	27,618	-	-
591-593, 599	Debt Service	1,123	439	-	-
597	Transfers-Out	286,630	148,801	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	15,566	-	-	-
581	Other Uses	268,863	232,257	-	-
Total Other Decreases in Fund Resources:		2,389,676	409,116	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(647,294)</b>	<b>(877,214)</b>	<b>5,338</b>	<b>107,214</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	6,446,322	405,319	14,694	694,022
5088000	Unreserved	3,615,473	2,228,633	-	-
<b>Total Ending Cash and Investments</b>		<b>10,061,795</b>	<b>2,633,951</b>	<b>14,694</b>	<b>694,022</b>

The accompanying notes are an integral part of this statement.

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

		<b>116 SENIOR SERVICES (1160.000)</b>	<b>117 VETERAN'S RELIEF (1170.000)</b>	<b>119 AUDITOR'S OPERATION &amp; MAINTENANCE</b>	<b>130 HOTEL/MOTEL TAX (1030.000)</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	92,290	138,012	84,476	96,918
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	(1,850)	(8,000)	-	-
<b>Revenues</b>					
310	Taxes	-	74,643	-	128,461
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	459,208	382	54,314	-
340	Charges for Goods and Services	271,862	-	2,342	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	14,882	14	-	-
Total Revenues:		745,951	75,038	56,656	128,461
<b>Expenditures</b>					
510	General Government	-	-	20,179	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	81,500
560	Social Services	832,973	41,229	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		832,973	41,229	20,179	81,500
Excess (Deficiency) Revenues over Expenditures:		(87,021)	33,811	36,477	46,961
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	128,801	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	1,120	-	-	-
Total Other Increases in Fund Resources:		129,921	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	62,913	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	2,500	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		62,913	-	2,500	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(20,013)</b>	<b>33,811</b>	<b>33,977</b>	<b>46,961</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	70,426	163,822	118,452	143,879
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>70,426</b>	<b>163,822</b>	<b>118,452</b>	<b>143,879</b>

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

		<b>131 CDBG - COMMUNITY SERVICES</b>	<b>132 HOMELESS HOUSING AND ASSISTANCE</b>	<b>133 FAMILY SUPPORT FUND</b>	<b>134 TITLE III PROJECTS FUND</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	4	191,988	20,861	192,686
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	-	90,098	2,392	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		-	90,098	2,392	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	4	78,225	10,950	124,609
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		4	78,225	10,950	124,609
Excess (Deficiency) Revenues over Expenditures:		(4)	11,873	(8,558)	(124,609)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	31,629
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	31,629
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(4)</b>	<b>11,873</b>	<b>(8,558)</b>	<b>(156,238)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	203,861	12,303	36,447
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>-</b>	<b>203,861</b>	<b>12,303</b>	<b>36,447</b>

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

		<b>140 CRIME VICTIM COMPENSATIO</b>	<b>141 COUNTY ROAD (1400.000)</b>	<b>144 COUNTY ARTERIAL PRESERVATION</b>	<b>150 LAW LIBRARY (1050.000)</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	74,603	2,179,677	972,308	663
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	2,011,682	-	-
320	Licenses and Permits	-	5,500	-	-
330	Intergovernmental Revenues	73,786	1,420,745	115,166	-
340	Charges for Goods and Services	8,827	8,777	-	3,137
350	Fines and Penalties	101	-	-	-
360	Miscellaneous Revenues	-	21,706	195	-
Total Revenues:		82,715	3,468,410	115,361	3,137
<b>Expenditures</b>					
510	General Government	63,108	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	2,535,358	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	2,510
Total Expenditures:		63,108	2,535,358	-	2,510
Excess (Deficiency) Revenues over Expenditures:		19,606	933,052	115,361	627
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	100,000	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	15	-	-
381, 395, 398	Other Resources	-	-	103,299	-
Total Other Increases in Fund Resources:		-	100,015	103,299	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	1,089,062	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	100,000	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	1,089,062	100,000	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>19,606</b>	<b>(55,996)</b>	<b>118,660</b>	<b>627</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	94,210	2,123,682	1,090,968	1,289
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>94,210</b>	<b>2,123,682</b>	<b>1,090,968</b>	<b>1,289</b>

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

		<b>170 SHERIFF'S DEPT DRUG (1070.000)</b>	<b>173 AFFORDABLE HOUSING FUND</b>	<b>175 CO CLERK COLLECTION FUND</b>	<b>176 REET TECHNOLOGY FUND</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	46,975	49,741	-	28,525
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	(10,000)	-	16,206	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	179,438	-	1,151	11,450
340	Charges for Goods and Services	-	16,809	9,252	-
350	Fines and Penalties	4,838	-	-	-
360	Miscellaneous Revenues	2,000	-	-	-
Total Revenues:		186,276	16,809	10,403	11,450
<b>Expenditures</b>					
510	General Government	-	-	630	5,000
520	Public Safety	215,573	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	36,396	-	-
Total Expenditures:		215,573	36,396	630	5,000
Excess (Deficiency) Revenues over Expenditures:		(29,297)	(19,587)	9,773	6,450
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	30	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		30	-	-	-
<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:		-	-	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(29,267)</b>	<b>(19,587)</b>	<b>9,773</b>	<b>6,450</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	7,708	30,154	25,979	34,975
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>7,708</b>	<b>30,154</b>	<b>25,979</b>	<b>34,975</b>



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

		<b>177 TRIAL COURT IMPROVEMENT</b>	<b>180 911 SERVICES (1080.000)</b>	<b>185 INMATE WELFARE (1085.000)</b>	<b>190 SHERIFF'S CRIMINAL INVESTIGATIVE</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	77,032	210,614	32,521	59,776
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	96,114	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	12,427	644,025	-	-
340	Charges for Goods and Services	-	-	11,730	110
350	Fines and Penalties	-	-	-	13,480
360	Miscellaneous Revenues	-	83	6,227	-
Total Revenues:		12,427	740,221	17,957	13,590
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	637,336	6,297	24,952
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	637,336	6,297	24,952
Excess (Deficiency) Revenues over Expenditures:		12,427	102,886	11,660	(11,362)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	54,704	98,577	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	3,700	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	566	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		58,404	99,143	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(45,977)</b>	<b>3,743</b>	<b>11,660</b>	<b>(11,362)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	31,055	214,355	44,180	48,414
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>31,055</b>	<b>214,355</b>	<b>44,180</b>	<b>48,414</b>

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

		<b>301 CAPITAL IMPROVEMENT (3010.000)</b>	<b>401 SOLID WASTE OPERATING</b>	<b>501 ER &amp; R GENERAL (5010.000)</b>
<b>Beginning Cash and Investments</b>				
30810	Reserved	609,695	-	-
30880	Unreserved	-	106,200	1,341,290
388 / 588	Prior Period Adjustments, Net	-	(1,450)	-
<b>Revenues</b>				
310	Taxes	353,684	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	2,923	-
340	Charges for Goods and Services	-	1,058,052	1,064,284
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	45	116	251,904
Total Revenues:		353,729	1,061,091	1,316,189
<b>Expenditures</b>				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	993,393	-
540	Transportation	-	-	1,099,846
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		-	993,393	1,099,846
Excess (Deficiency) Revenues over Expenditures:		353,729	67,698	216,342
<b>Other Increases in Fund Resources</b>				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	15,000	-	5,513
381, 395, 398	Other Resources	-	-	45,859
Total Other Increases in Fund Resources:		15,000	-	51,371
<b>Other Decreases in Fund Resources</b>				
594-595	Capital Expenditures	127,298	51,881	305,441
591-593, 599	Debt Service	-	683	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	15,000	-	-
581	Other Uses	-	36,606	-
Total Other Decreases in Fund Resources:		142,298	89,171	305,441
<b>Increase (Decrease) in Cash and Investments:</b>		<b>226,431</b>	<b>(21,473)</b>	<b>(37,728)</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	836,125	-	-
5088000	Unreserved	-	83,277	1,303,563
<b>Total Ending Cash and Investments</b>		<b>836,125</b>	<b>83,277</b>	<b>1,303,563</b>

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

	<b>Agency</b>
308 Beginning Cash and Investments	22,962,552
388 & 588 Prior Period Adjustment, Net	(1,277,486)
310-390 Additions	44,400,036
510-590 Deductions	46,382,090
Net Increase (Decrease) in Cash and Investments:	(1,982,054)
508 Ending Cash and Investments	19,703,012

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

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2017

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**Note 1 – Summary of Significant Accounting Policies**

The County of Skamania was incorporated in 1854 and operates under the laws of the state of Washington applicable to a seventh class county with a commission form of government. The County is a general purpose government and provides public safety, road improvement, parks and recreation, judicial administration, health and social services and general administrative services. In addition, the County owns and operates a solid waste facility.

Skamania County (County) reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting 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 are the fund types used by the County:

**GOVERNMENTAL FUND TYPES:**

General (Current Expense) 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.

Managerial funds are funds which do not have restricted or committed revenue sources. The interfund activity between the current expense fund and the managerial funds is eliminated from the financial statements. The following managerial funds have been consolidated with the current expense fund:

- 1020 C/R Insurance
- 1021 C/R Contingent Liability
- 1023 C/R Salaries and Wages

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2017**

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- 1027 C/R Loan Fund
- 1130 Cable Television
- 1180 Election Reserve
- 1280 Nuisance Control
- 1291 Wind River Business Park

Special Revenue Funds

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

Capital Project 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.

Debt Service Funds

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

**PROPRIETARY FUND TYPES:**

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the County on a cost-reimbursement basis.

**FIDUCIARY FUND TYPES:**

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

Agency Funds

These funds are used to account for assets that the County holds for others in an agency 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**

The County adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level (except the general (current expense) fund, where

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2017

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budget is adopted at the department level). The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting, except for the current expense fund, which for financial reporting contains eight managerial funds. These funds are budgeted separately.

Budget amounts are authorized to be transferred between departments within any fund; 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's legislative body.

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

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2017

Fund/Department	Final Appropriated Amount	Actual Expenditures	Variance
Current Expense			
Boundary Review Board	3,879	1,187	2,692
Commissioners	562,643	503,629	59,014
Public Defender	85,200	84,300	900
Superior Court	208,195	177,327	30,868
Clerk	363,706	341,938	21,768
District Court	514,857	511,224	3,633
Treasurer	328,512	317,965	10,547
Auditor	494,926	466,536	28,390
Assessor	376,407	375,578	829
Board of Equalization	13,141	7,876	5,265
Prosecutor	549,889	520,337	29,552
Support Enforcement	53,317	52,802	515
Civil Service	1,250	1,000	250
Buildings & Grounds	705,209	702,129	3,080
Information Technology	506,899	356,833	150,066
Sheriff	2,593,720	2,269,584	324,136
Probation	96,352	87,622	8,730
Jail	883,289	767,413	115,876
Jail Work Crew	173,415	169,832	3,583
Emergency Management	82,730	81,160	1,570
Juvenile Services	267,391	184,365	83,026
Noxious Weed	264,699	243,596	21,103
Community Development - Planning	439,137	356,637	82,500
Community Development - Environmental Health	76,583	73,575	3,008
Community Development - Building Division	155,860	151,464	4,396
Coroner	62,055	60,729	1,326
Cooperative Extension	47,548	47,531	17
General Services	336,917	300,656	36,261
Human Resources	340,050	257,556	82,494
External Services	144,341	105,642	38,699
Operating Transfers Out & Loan Repayments	708,801	148,801	560,000
Non-departmental	2,739,753	2,739,753	-
Total General Fund - Budgeted	14,180,671	12,466,577	1,714,094
1020 - C/R Insurance*	698,608	313,456	385,152
1021 - C/R Contingent Liability*	503,684	31,677	472,007
1022 - C/R Economic Development*	-		-
1023 - C/R Salaries, Wages & Benefits*	-		-
1025 - Land Acquisition*	-		-

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2017

Fund/Department	Final Appropriated Amount	Actual Expenditures	Variance
1026 - C/R County Facilities and Land*	-		-
1027 C/R Loan*	2,507,057	2,507,057	-
1030 - Hotel Motel Tax (130)	81,500	81,500	-
1040 - Crime Victim (140)	64,207	63,108	1,099
1050 - Law Library (150)	6,855	2,510	4,345
1070 - Sheriff Drug (170)	258,958	215,573	43,385
1080- E 911 Services (180)	797,485	736,480	61,005
1085 - Inmate Welfare (185)	21,250	6,297	14,953
1090- Sheriff's Criminal Investigation (190)	29,400	24,952	4,448
1120- Treasurer's Operation & Maint (112)	10,000	-	10,000
1130 - Cable TV*	3,500	-	3,500
1140 - Community Health (114)	1,866,107	1,658,177	207,930
1160 - Senior Services (116)	913,964	895,886	18,078
1170 - Veteran's Relief (117)	90,000	41,229	48,771
1180 - Election Reserve*	25,000	-	25,000
1190 - Auditor's O & M (119)	121,600	22,679	98,921
1230 - Affordable Housing (173)	58,025	36,396	21,629
1250 - County Clerk (175)	1,000	630	370
1260 - Real Estate Excise Tax - Technology (176)	12,500	5,000	7,500
1270 - Trial Court (177)	59,131	58,404	727
1280 - Nuisance Control*	18,582	-	18,582
1290/1291 -Wind River Business Park*	323,475	190,696	132,779
1300 - Title III (134)	267,422	156,238	111,184
1310 - CDBG (131)	4	4	-
1320 - Homeless Housing and Assistance (132)	262,440	78,225	184,215
1330 - Family Support Fund (133)	23,988	10,950	13,038
1400 - County Road (141)	6,543,865	3,624,420	2,919,445
1420 - Arterial Preservation (144)	182,000	100,000	82,000
2010 - Bond Anticipation Note Fund (201)	-	-	-
3010 -Capital Improvements (301)	503,160	142,298	360,862
4010 - Solid Waste (401)	1,065,928	1,082,563	(16,635)
5010 - ER & R Fund (501)	1,759,996	1,405,287	354,709
<b>Total County Funds</b>	<b>33,261,361</b>	<b>25,958,269</b>	<b>7,303,092</b>

\*Managerial Funds are reported in the financial statements with the Current Expense fund; eliminations of \$5,014,112 are excluded in the financial statements.



**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2017

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The Solid Waste fund was over budget by \$16,635. A budget amendment for the fund was approved for increased expenditures in December, but expenditures ultimately were higher than estimated.

**D. Cash and Investments**

See Note 3, 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 5 years. Capital assets are long-lived assets of the County and are recorded as expenditures when purchased.

**F. Compensated Absences**

**Guild** - Employees vacation leave may accumulate up to 380 hours and after completion of one year of service with the county vacation leave accrual is payable upon separation under good standing. Guild employee sick leave may be accumulated indefinitely. Upon death or retirement employees unused sick leave accrual up to 1000 hours is payable at the current salary level being paid. Guild employees who separate County service via layoff with at least five (5) years of service will be paid fifty percent (50%) for accrued, but unused sick leave at their base rate of pay to a maximum of five hundred (500) hours. Guild employees do not receive payment for unused sick leave when they leave service for reasons other than retirement or death.

**Public Works Union** - Employees vacation leave may accumulate up to 380 hours and after completion of 6 months, vacation leave accrual is payable upon separation under good standing. Sick Leave may be accrued indefinitely. Upon separation after 20 years of service, death or retirement, unused sick leave accrual up to 1000 hours is payable to the employee, or his/her designated beneficiary at the current salary level being paid. Upon termination for reasons other than completion of death or retirement, employees are not entitled to payment for unused sick leave. Employees who separate form County service via layoff with at least five (5) years of service will be paid fifty percent (50%) for accrued sick leave at their base rate of pay to a maximum of five hundred (500) hours.

**Manager's Union** – Employees vacation leave may accumulate up to 380 hours and after completion of 6 months, vacation leave accrual is payable upon separation under good standing. Sick leave may be accrued indefinitely. Upon separation at death or retirement, unused sick leave accrual up to 1000 hours is payable to employee, or his/her designated beneficiary at the current salary level being paid. Upon termination for reasons other than completion of 20 years of service, retirement or death, employees are not entitled to payment for unused sick leave. Employees who separate form County service via layoff with at least five (5) years of service will be paid fifty percent (50%) for accrued sick leave at their base rate of pay to a maximum of five hundred (500) hours.

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Contract employees** - (Public Works Director, Community Health Director, Finance Administrator, Human Resource Specialist, County Engineer) shall accrue Vacation and Sick Leave days at the same rate as other administrative, professional and/or managerial employees and shall be entitled to annual vacation buyback in the same amount as other County employees. Upon termination of the contract by the County accrued vacation and sick leave shall be paid off at full value, except as otherwise provided in Section 12 of the Contract. Upon voluntary separation and retirement or death, payment of vacation and sick leave shall follow the Personnel Policy, except as otherwise provided in Section 12 of the Contract.

**All county employees unless described above** – Employees vacation leave may accumulate up to 360 hours and after completion is payable upon separation, death or retirement as long as the 10 working days' notice has been given.

Sick leave may be accumulated indefinitely. Upon death or retirement employees do receive payment for unused sick leave up to 1000 hours. For employees hired prior to January 1, 1980 accrued sick leave in excess of fifty days (but not to exceed fifty days' pay) shall be paid at the salary level currently being paid to that employee upon separation for reasons other than retirement or death. Employees hired after January 1, 1980 shall not be entitled to payment for unused sick leave upon separation for reasons other than retirement or death, unless they have 20 or more years of service.

Sick leave at retirement or death, or for employees with 20 or more years of service, up to 1000 hours of unused accrued sick leave will be paid to the employee or his designated beneficiary at the salary level being paid at the time of retirement or death, or separation after 20 or more years of service.

Compensated absences payable at December 31, 2017 was \$1,160,675.

**G. Reserved Cash Balance**

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 resolutions of the board. When expenditures that meet restrictions are incurred, the County intends to use reserved resources first before using unreserved amounts. Reservations of ending cash balances consist of:

**SKAMANIA COUNTY**  
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Reserve Purpose	Amount
Road Preservation and Maintenance	3,214,650
Community Health Services	694,182
Capital Improvement	836,125
Emergency Services	214,355
Housing Assistance	234,015
Drug and Criminal Investigation	66,122
Veteran Relief	171,822
Tourism Promotion	143,879
Crime Victim Compensation	94,210
Trial Court Improvements	31,055
Other governmental	195,392
Senior services and recreation	72,276
Title III	36,447
Jail	44,180
Family Support Services	12,303
Cumulative Reserve	405,319
<b>Total Reserved Cash Balance</b>	<b>6,466,332</b>

**H. Risk Management**

Skamania County's risk management activities consist of general liability, unemployment and property.

Skamania County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together 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 in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2017, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2017, Skamania County selects a per-occurrence deductible of \$25,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions ("SIRs") equal to the greater of the deductible for the member with the claim or \$100,000. More recent years' reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2016-17, this "corridor" increased the SIR to \$2 million, but with an aggregated stop loss of \$4.35 million. Other reinsurance agreements respond up to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles, and for their proportional shares of the entry year's assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any member may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

The Pool is fully funded by its member participants. Claims are filed directly with the Pool by members and adjusted by one of the six staff members responsible for evaluating each claim for coverage, establishing reserves, and investigating for any risk-shared liability. The Pool does not contract with any third party administrators for claims adjustment or loss prevention services.

During 2016-17, Skamania County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected

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**NOTES TO THE FINANCIAL STATEMENTS**  
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deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Skamania County also participates in the jointly purchased cyber risk and security coverage from a highly-rated commercial insurer.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. The Board of Directors generally meets three-times each year with the Annual Meeting of the Pool being held in summer. The Board approves the extent of risk-sharing, approves the Pool's self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool's annual operating budget.

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and reviews the Pool's financial health, b) approve case settlements exceeding the applicable member's deductible by at least \$50,000, c) review all claims with incurred loss estimates exceeding \$100,000, and d) evaluate the Pool's operations, program deliverables, and the Executive Director's performance. Committee members are expected to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon.

During 2016-17, the WCRP's assets remained stable at \$46.8 million while its liabilities increased slightly to \$28.6 million. The Pool's net position increased slightly from \$17.9 million to \$18.1 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2017 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

#### UNEMPLOYMENT INSURANCE

Pursuant to Chapter 50.44.030 and 50.44.060 RCW, Skamania County makes payments for unemployment benefits to the Washington Employment Security Department in lieu of contributions. The Employment Security Department charges the full amount of unemployment benefits attributable to Skamania County.

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2017

**Note 2 – Compliance and Accountability**

There have been no material violations of finance-related legal or contractual provisions. The Solid Waste Fund exceeded budgeted expenditures in 2017. See Note 1C.

**Note 3 – Deposits and Investments**

It is the County's policy to invest all temporary cash surpluses. The interest on these investments is posted to the current expense fund.

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

Investments in the Local Government Investment Pool are stated at amortized cost. Investments by type at December 31, 2017 are as follows:

Type of Investment	County's Own Investments	Investments held by County as an agent for other local governments	Total
Checking	8,042,953	13,976,282	22,019,235
State Pool	5,373,412	351,072	5,724,484
Total	\$ 13,416,365	\$ 14,327,354	\$ 27,743,719

**Note 4 – 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 taxes are levied.

The County's regular levy for 2017 was \$1.455310 per \$1,000 on an assessed valuation of \$1,489,954,469 for a total regular levy of \$2,168,345.

The County is also authorized to levy \$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 governmental services. The County's road levy for 2017 was \$1.481709 per \$1,000 on an assessed valuation of \$1,197,104,175 for a total regular levy of \$1,773,760.

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 5 – Interfund Loans and Advances**

The following table displays interfund loan activity during 2017:

Borrowing Fund	Lending Fund	Balance 12/31/16	New Loans	Repayments	Balance 12/29/17	Resolution No. for payment/ extension
C/E	C/R Ln (1027)Res2016-28	400,000		400,000	-	2017-09/2017-18
C/E	C/R Ln (1027)Res2016-51	264,214		264,214	-	2017-18/2017-28
C/E	CAPP (142)Res2011-47	103,299		103,299	0	2017-10
C/E	Com Health Res2011-43	128,958		128,958	(0)	2017-10
C/E	C/R Ln (124) Res 2017-29		700,000	95,662	604,338	2017-42
C/E	C/R Ln (124) Res 2017-33		213,334		213,334	
C/E	C/R Ln (124) Res 2017-43		593,723		593,723	
C/E	C/R Ln (124) Res 2017-16		500,000	500,000	-	2017-32/42
C/E	C/R Ln (124) Res 2017-11		500,000	500,000	-	2017-28/32
C/E	C/R Ln (124) Res 2015-17	149,942		149,942	-	2017-09/2017-13
C/E	C/R Ln (124) Res 2015-38	400,000		400,000	-	2017-09/2017-13
C/E	C/R Ln (124) Res 2015-48	190,000		190,000	-	2017-09/2017-13
Solid Waste	ER&R (5010) Res 2013-55*	36,606		36,606	-	2017-39
<b>Total</b>		<b>1,673,019</b>	<b>2,507,056</b>	<b>2,768,681</b>	<b>1,411,394</b>	

\* This loan was left off of previous years' notes in error.

**Note 6 – Long Term Debt**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liability of the County and summarizes the County's debt transactions for 2017.

**Note 7 – Pension Plans**

Substantially all County full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit plans. 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:

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2017**

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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).

At June 30, 2017 (the measurement date of the plans), the County's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, and net pension assets was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	338,242	0.052997%	2,514,749
PERS 2/3	384,539	0.055917%	1,942,848
PSERS	58,918	0.225750%	44,232
LEOFF 1	-	0.007947%	(120,573)
LEOFF 2	62,735	0.037593%	(521,669)
Total	844,434		3,859,587

**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. At this time, we do not have any LEOFF Plan 1 employees active on payroll.

**LEOFF Plan 2**

The County also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

**Note 8 – Related Parties**

The Board of County Commissioners has the appointment authority over several governing boards. The Board has no responsibility or influence in the other governing boards' financial transactions. Commissioners sit on many of these boards, but do not have significant influence.

***Skamania County Emergency Medical Services District 1:***

In December, 2012, the County created the (Emergency Medical Services) EMS District to provide emergency medical services to county residents. The Board of County Commissioners is the governing body of the EMS District. The County, thru inter local agreement, has entered



**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2017**

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into a relationship with the North County EMS District to provide emergency medical services to the Skamania County EMS District #1.

*Area Agency on Aging and Disabilities of Southwest Washington:*

One County Commissioner sits on the board of the Area Agency on Aging and Disabilities of Southwest Washington. Skamania County Senior Services is a contractor with the agency. In 2017, the County contracted with this agency, receiving the following revenues to provide these services:

- \$65,750— Congregate and Home Delivered Meals – Older Americans Act Title IIIC and USDA in Lieu of Commodities
- \$4,492 – Health Promotions – Older Americans Act Title IIID and SCSA Health Promotions
- \$39,895 – Information and Assistance – Older Americans Act Title IIIB and SCSA I&A
- \$48,700 – Senior Transport – Older Americans Act Title IIIB and SCSA Transportation

**Note 9 – Other Disclosures**

Other Postemployment Benefit Plans

In addition to the pension benefits described in Note 7, the County has a commitment to pay for postemployment benefit (OPEB) plans to employees as follows:

**LEOFF I Healthcare Reimbursements:** In accordance with state law, the County provides health insurance benefits for public safety employees who retired under LEOFF I while working for the County. This plan pays for the participant's healthcare premiums, healthcare co-payments and other medical costs. There are six (6) retirees who receive these benefits and will receive these benefits the rest of their lives. \$86,440.60 was paid out for those benefits during the year. Currently, Skamania County does not have any employees that are eligible for the LEOFF I plan actively working. For the six retirees, for those under age 65, the county pays health insurance premiums under a retiree plan. If the retiree is over 65 the County pays for their health insurance premium for a medigap plan and for their Medicare Part B and D, and Dental Insurance. \$18,525 was paid out for these benefits during the year. The County pays for a Long Term Care Plan for of our 3 Leoff I members for a total of \$10,439. Other Medical Expenses of \$57,477.

**Retiree Health Premiums:** The County allows certain retirees to purchase health insurance premiums at a subsidized rate. Beginning April 1, 2010, retired employees up to the age of 65, may purchase health insurance premiums through the County's health insurance provider at the same rate of active employees. Prior to this date, any retiree, regardless of their age could participate in this benefit. Those retirees have been grandfathered into the new program and can continue to purchase their health insurance premiums even after the age of 65.

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2017**

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Both of these plans are on a pay as you go basis. The liabilities associated with these plans have not been estimated.

Termination Benefits

During the layoffs that were done in 2015, the county offered employees that wanted to do early retirement 24 months of health insurance premium coverage or the equivalent of \$20,000 to use the purchase credit at Department of Retirement Systems if they took early retirement. One County employee chose the purchase credit of \$20,000 and three County employees chose early retirement. The cost of their insurance premium for employee only that was paid in 2017 was \$3,034.

Prior Period Adjustment

A prior period adjustment in the amount of \$16,206 was recorded to restate beginning cash for the County Clerk Collection Fund, which was presented as a managerial fund in the prior year but as a special revenue fund in 2017.

A prior period adjustment for a total of \$32,953 was recorded to correct petty cash amounts included in 2017 beginning cash balances of several funds:

Current Expense	\$11,493
Community Health	160
Senior Services	1,850
Veteran's Relief	8,000
Sheriff's Drug	10,000
Solid Waste	<u>1,450</u>
Total	\$32,953

A prior period adjustment in the amount of \$1,277,486 was recorded to the C-5 agency funds and C-4 Current Expense fund to reclassify beginning cash balances. This amount was recorded as a suspense-type transaction into the Treasurer's Trust in 2016 to be transferred in 2017 to the Current Expense fund; however, the transaction should have been reported as a Current Expense fund receipt in 2016.

Subsequent Events

Congress passed 2018 spending bill P.L. 115-141 that included reauthorization of the Secure Rural Schools program. SRS payments to states will resume, including retroactive payments to states for fiscal year 17. On May 22, 2018 we received notice that our SRS payment will be \$1,443,279.

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 these districts in a custodial capacity were previously omitted from the financial statements. Starting in fiscal year 2017, counties are

**SKAMANIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2017

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required to report the custodial amounts on their financial statements. This requirement resulted in addition of \$19,497,701 in custodial deposits 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.

**Skamania 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>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences - Governmental Activities		714,175	404,289	-	1,118,464
259.12	Compensated Absences - Solid Waste Proprietary Fund		29,746	12,465	-	42,211
264.30	Net Pension Liability		5,585,250	-	1,083,421	4,501,829
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>6,329,171</b>	<b>416,754</b>	<b>1,083,421</b>	<b>5,662,504</b>
<b>Total Liabilities:</b>			<b>6,329,171</b>	<b>416,754</b>	<b>1,083,421</b>	<b>5,662,504</b>

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Department of Agriculture ANIMAL AND PLANT HEALTH INSPECTION SERVICE (via Recreation and Conservation Office)	Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-2272	10,977	-	10,977	3,625	1,2,4
Department of Agriculture ANIMAL AND PLANT HEALTH INSPECTION SERVICE (via Recreation and Conservation Office)	Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-1359	1,723	-	1,723	-	1,2
<b>Total CFDA 10.025:</b>				<b>12,700</b>	<b>-</b>	<b>12,700</b>	<b>3,625</b>	
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA DOH)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C17125	36,723	-	36,723	-	1,2
<b>Forest Service Schools and Roads Cluster</b>								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665	M#G1002025	-	137,797	137,797	-	1
<b>Total Forest Service Schools and Roads Cluster:</b>				<b>-</b>	<b>137,797</b>	<b>137,797</b>	<b>-</b>	
DEPT OF THE ARMY, DEPARTMENT OF DEFENSE	Youth Conservation Services	12.010	W9127-14-2- 0011	-	21,687	21,687	-	1,2
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA Department of Commerce)	Crime Victim Assistance	16.575	S17-31102-527	62,504	-	62,504	-	1,2
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Department of Commerce)	Violence Against Women Formula Grants	16.588	F16-31103-086	8,972	-	8,972	-	1,2

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

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

				Expenditures				
Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients	Note
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Department of Commerce)	Violence Against Women Formula Grants	16.588	F16-31103-087	15,211	-	15,211	-	1,2
	Total CFDA 16.588:			24,183	-	24,183	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607	NA	-	503	503	-	1,2
	Highway Planning and Construction Cluster							
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WDOT)	Highway Planning and Construction	20.205	BHOS-30AC (001)	457,570	-	457,570	-	1,2
	Federal Lands Access Program							
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WDOT)	Federal Lands Access Program	20.224	NA	25,086	-	25,086	-	1,2
	Total Highway Planning and Construction Cluster:			482,656	-	482,656	-	
Transit Services Programs Cluster								
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WDOT)	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	GCB2098	51,848	-	51,848	-	1,2
	Total Transit Services Programs Cluster:			51,848	-	51,848	-	
VA HEALTH ADMINISTRATION CENTER, VETERANS AFFAIRS, DEPARTMENT OF (via DVA)	Veterans Transportation Program	64.035	NA	23,657	-	23,657	-	1,2

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via DSHS)	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	NA	3,087	-	3,087	-	1,2
<b>Aging Cluster</b>								
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via DSHS)	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	NA	31,241	-	31,241	-	1,2,3
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via DSHS)	Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	NA	61,610	-	61,610	-	1,2,3
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via DSHS)	Nutrition Services Incentive Program	93.053	NA	9,000	-	9,000	-	1,2
<b>Total Aging Cluster:</b>				<b>101,851</b>	<b>-</b>	<b>101,851</b>	<b>-</b>	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA DOH)	Public Health Emergency Preparedness	93.069	C17125	27,940	-	27,940	-	1,2
OFFICE OF POPULATION AFFAIRS, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA DOH)	Family Planning Services	93.217	C17125	4,879	-	4,879	-	1,2,3

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

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via DSHS)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	15630 42501	53,376	-	53,376	1,2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA DOH)	Immunization Cooperative Agreements	93.268	C-17125	1,047	-	1,047	1,2
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Drug-Free Communities Support Program Grants	93.276	1H79SPO2041 5-1	-	94,501	94,501	1,2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA DOH)	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	C-17125	413	-	413	1,2
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via DSHS)	Child Support Enforcement	93.563	6243-90938	62,187	-	62,187	1,2
<b>Medicaid Cluster</b>							

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



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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA HCA)	Medical Assistance Program	93.778	K773	3,750	-	3,750	-	1,2
		Total Medicaid Cluster:			3,750	-	3,750	-
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via DSHS)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	15630 42501	28,594	-	28,594	-	1,2
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA DOH)	Assisted Outpatient Treatment	93.997	C16900	28,300	-	28,300	-	1,2
SOCIAL SECURITY ADMINISTRATION, None;	Social Security - Work Incentives Planning and Assistance Program	96.008	NA	-	1,800	1,800	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA EMD)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-D16-704	395,988	-	395,988	-	1,2,4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA EMD)	Emergency Management Performance Grants	97.042	E17-111	18,000	-	18,000	-	1,2

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

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

	Expenditures					Passed through to Subrecipients	Note
	Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total
	FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Clark Regional Emergency Services Agency)	Homeland Security Grant Program	97.067	E-16-063	9,263	-	9,263
							1,2
					<b>1,432,946</b>	<b>256,288</b>	<b>1,689,234</b>
							<b>3,625</b>
					<b>Total Federal Awards Expended:</b>		

***Skamania County***  
***Notes to the Schedule of Expenditures of Federal Awards***

Note 1 - Basis of Accounting

This schedule is prepared on the same basis of accounting as the county's financial statements.  
The county uses the cash basis of accounting.

Note 2 - Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the County's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The amount expended includes \$ 3,321 claimed as an indirect cost recovery using an approved indirect cost rate of 11%. The County has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 - American Recovery and Reinvestment Act (ARRA) of 2009

Expenditures for this program were funded by ARRA.



**SKAMANIA COUNTY AUDITOR  
ROBERT J. WAYMIRE**

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240 NW Vancouver Ave | PO Box 790  
Stevenson, WA 98648  
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**CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER  
UNIFORM GUIDANCE**

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

This schedule presents the corrective action planned by the County for findings reported in this report in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

<b>Finding ref number:</b> 2017-001	<b>Finding caption:</b> The County should improve internal controls over accounting and financial statement preparation to ensure accurate reporting.
<b>Name, address, and telephone of County contact person:</b> Robert Waymire, P.O. Box 790, Stevenson, WA 98648. 509-427-3731	
<b>Corrective action the auditee plans to take in response to the finding:</b> Moving forward the County will request someone from the Performance Center to help review our daily processes, global balancing, the annual financial review process, and for education on new audit standards. We will continue to work closely with our CPA to review the annual report using the SAO checklist and we will continue to work on strengthening our processes.	
<b>Anticipated date to complete the corrective action:</b> <i>If time allows we would like to have the SAO Performance Center come in prior to the end of 2018 so we are prepared going into the year-end financial review.</i>	

## 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	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
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Toll-free Citizen Hotline	(866) 902-3900
Website	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>