



Office of the Washington State Auditor
Pat McCarthy

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

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

Published September 25, 2017

Report No. 1019903





Office of the Washington State Auditor
Pat McCarthy

September 25, 2017

Board of Commissioners
Whitman County
Colfax, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Whitman 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,

Pat McCarthy
State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Whitman County January 1, 2016 through December 31, 2016

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

We issued an unmodified opinion on the County's compliance with requirements applicable to its major federal program.

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

Identification of Major Federal Programs:

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

This schedule presents the status of federal findings reported in prior audit periods. The status listed below is the representation of Whitman County. The State Auditor’s Office has reviewed the status as presented by the County.

Audit Period: January 1, 2015 through December 31, 2015	Report Ref. No.: 1017761	Finding Ref. No.: 2015-001
Finding Caption: The County did not have adequate internal controls in place to ensure accurate reporting of its Schedule of Expenditures of Federal Awards.		
Background: Our audit identified deficiencies in internal controls that adversely affected the County’s ability to produce reliable financial statements and required schedules for fiscal year 2015. Our audit identified the following control deficiencies over financial reporting that, when taken together, represent a material weakness:		
<ul style="list-style-type: none"> • County employees responsible for preparing forms to assist in the preparation of the Schedule of Expenditures of Federal Awards (SEFA) have not received adequate training to ensure the information recorded is accurate. • The County lacks internal controls that ensure federal expenditures recorded in the accounting records are reconciled to and accurately reported in the SEFA. • The County has not taken prompt, corrective action on prior audit findings to allow it to prepare appropriate financial statements to accompany the SEFA as required by federal regulations. • The County does not have monitoring controls for the review of the SEFA to ensure significant errors or inconsistencies are detected and resolved prior to submission. 		
Status of Corrective Action: (check one)		
<input type="checkbox"/> Fully Corrected <input checked="" type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>The Auditor’s Office conducted one-on-one departmental training for grant reporting. The departments received Federal and State Grant forms and direction on how to properly report expenditures and pass-through information. The new Auditor’s Finance staff will continue education on proper auditing techniques and correct SEFA reporting.</i>		

There is a heavy reliance on all departments to keep proper documentation and report all grants to the Auditor's Office for SEFA reporting. Many departments use project codes effectively to report grant activity. Departments turned in a one-page report per grant with all the information used to report the SEFA. Moving forward, the Auditor's Office will obtain the detailed paperwork to match up with the one-page grant report.

The Auditor's staff will make prompt corrections to the SEFA when errors are discovered.

The Auditor's Office will work out a plan to make departments accountable for on-time reporting, ensuring enough time for the Auditor's Office to be able to review all documents. This will include new policies and procedures for the departments and the Auditor's staff.

Audit Period: January 1, 2015 through December 31, 2015	Report Ref. No.: 1017861	Finding Ref. No.: 2015-002
Finding Caption: The County did not have adequate internal controls in place to ensure accurate reporting of its financial statements and schedules.		
Background: The County has only been able to prepare materially accurate financial statements in five of the last 11 years. We were unable to express an opinion on the financial statements as of and for the year ending December 31, 2015. Audit procedures identified the following deficiencies in internal controls over financial reporting that, when taken together, represent a material weakness: <ul style="list-style-type: none"> • County employees responsible for recording financial transactions do not fully understand the accounting software and how the recording of transactions impacts the accuracy of the accounting records. • County lacks an effective process that ensures journal entries are properly authorized, supported and reviewed for accuracy prior to posting to the accounting records. • County's annual report preparation process does not include controls that ensure amounts reported in the financial statements and schedules agree to the underlying bank reconciliations or accounting records. • County employees responsible for the financial statement preparation lack the technical knowledge, training and resources needed to ensure the County's financial reporting is accurate and complete. • The County does not have monitoring controls for the review of the completed annual report to ensure significant errors or inconsistencies are detected and resolved prior to submission. 		

Status of Corrective Action: (check one)

Fully
Corrected

Partially
Corrected

Not Corrected

Finding is considered no
longer valid

Corrective Action Taken:

The Auditor's Office reinstated Accounting Technician Meetings (ATM) in October 2016. The meetings consist of teaching procedures by the appropriate departments in the New World accounting system, reviewing procedures, and fielding any general questions. The Assistant Finance Administrator is trained in the day-to-day accounting activity and is available to answer questions from the accounting liaisons and provide one-on-one training to new hires using New World for the first time. All of the Auditor's finance staff is available to answer questions.

In September 2016 the journal entry process was updated. No journal entry is approved by the Auditor's Office without proper documentation and two Level 1 approvals. Even those journal entries prepared by the Auditor's Office require three separate approvals and are reviewed for correctness. In 2017, the journal entry process was again updated to include direct upload of backup to the journal entry in New World to save time and other resources. This will assist in our periodic research as well.

The County relies on the expertise of each department for the preparation of the financial statements including notes and schedules. For the 2016 audit preparation, the financial accounting system was used to prepare the documents.

The current Auditor's staff responsible for financial statements have good understanding of what is necessary for reporting and use the SAO website and help desk frequently for specific questions. They attend appropriate training from different sources and use contacts from other like-counties as resources.

The County continues to update procedures, and setting and enforcing deadlines will assist in having time to properly audit all documents before submission. Documentation from prior SAO audits will assist with the next year's audit preparation, submission, and on-site audit.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

Board of Commissioners
Whitman County
Colfax, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Whitman County, Washington, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 13, 2017.

We issued an unmodified opinion on the fair presentation of the County's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the County using accounting practices prescribed by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

In addition, we noted certain matters that we have reported to the management of the County in a separate letter dated September 18, 2017.

COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

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

It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy

State Auditor

Olympia, WA

September 13, 2017

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

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

Board of Commissioners
Whitman County
Colfax, Washington

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

We have audited the compliance of Whitman County, Whitman County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. 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, 2016.

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.



Pat McCarthy

State Auditor

Olympia, WA

September 13, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Whitman County January 1, 2016 through December 31, 2016

Board of Commissioners
Whitman County
Colfax, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Whitman County, Washington, for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 18.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, Whitman 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 Whitman County, for the year ended December 31, 2016, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the County used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Whitman County, as of December 31, 2016, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying 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 accompanying Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Pat McCarthy

State Auditor

Olympia, WA

September 13, 2017

FINANCIAL SECTION

Whitman County January 1, 2016 through December 31, 2016

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2016
Schedule of Expenditures of Federal Awards – 2016
Notes to the Schedule of Expenditures of Federal Awards – 2016

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

		Total for All Funds (Memo Only)	001 General	102 Building & Development	103 Countywide Planning
Beginning Cash and Investments					
30810	Reserved	3,096,313	1,119,029	-	-
30880	Unreserved	23,436,368	4,335,801	214,867	33,402
388 / 588	Prior Period Adjustments, Net	113,882	113,882	-	-
Revenues					
310	Taxes	13,161,468	9,107,528	-	-
320	Licenses and Permits	228,945	162,378	65,422	-
330	Intergovernmental Revenues	10,645,814	2,885,247	-	182,429
340	Charges for Goods and Services	9,885,747	1,807,521	-	22,840
350	Fines and Penalties	1,134,253	1,122,745	-	-
360	Miscellaneous Revenues	400,002	358,922	5	-
Total Revenues:		<u>35,456,229</u>	<u>15,444,340</u>	<u>65,426</u>	<u>205,268</u>
Expenditures					
510	General Government	6,483,215	5,887,141	-	-
520	Public Safety	6,397,903	5,755,363	-	-
530	Utilities	2,423,733	-	-	-
540	Transportation	9,944,630	-	-	-
550	Natural and Economic Environment	1,013,867	204,490	132,000	354,324
560	Social Services	1,584,692	1,027,242	-	-
570	Culture and Recreation	622,639	586,880	-	-
Total Expenditures:		<u>28,470,680</u>	<u>13,461,116</u>	<u>132,000</u>	<u>354,324</u>
Excess (Deficiency) Revenues over Expenditures:		6,985,550	1,983,224	(66,574)	(149,055)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	1,968,951	-	-	-
397	Transfers-In	4,226,681	453,305	-	170,000
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	201,345	323	-	-
Total Other Increases in Fund Resources:		<u>6,396,977</u>	<u>453,628</u>	<u>-</u>	<u>170,000</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	4,799,906	37,603	-	-
591-593, 599	Debt Service	370,421	1,026	-	-
597	Transfers-Out	4,226,682	1,112,898	-	2,816
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	117,679	-	-	-
581	Other Uses	85,864	85,864	-	-
Total Other Decreases in Fund Resources:		<u>9,600,552</u>	<u>1,237,390</u>	<u>-</u>	<u>2,816</u>
Increase (Decrease) in Cash and Investments:		<u>3,781,975</u>	<u>1,199,462</u>	<u>(66,574)</u>	<u>18,129</u>
Ending Cash and Investments					
5081000	Reserved	3,146,541	1,119,029	-	-
5088000	Unreserved	27,281,996	5,649,144	148,293	51,529
Total Ending Cash and Investments		<u>30,428,536</u>	<u>6,768,173</u>	<u>148,293</u>	<u>51,529</u>

The accompanying notes are an integral part of this statement.

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

		104			
		Developmental	108 Veteran's	109 Homeless	110 County
		Services	Relief	Housing Plan	Road
Beginning Cash and Investments					
30810	Reserved	71,136	-	-	-
30880	Unreserved	180,153	52,865	205,551	6,456,237
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	46,063	41,452	-	2,448,709
320	Licenses and Permits	-	-	-	1,145
330	Intergovernmental Revenues	-	-	-	7,129,962
340	Charges for Goods and Services	520,533	-	142,846	65,924
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	269	-	-	7,519
Total Revenues:		566,865	41,452	142,846	9,653,259
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	17,500
530	Utilities	-	-	-	-
540	Transportation	-	-	-	7,068,096
550	Natural and Economic Environment	-	-	-	-
560	Social Services	539,979	17,471	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		539,979	17,471	-	7,085,596
Excess (Deficiency) Revenues over Expenditures:		26,886	23,981	142,846	2,567,663
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	3,199,009
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	196,869
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	87,057	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	87,057	3,395,878
Increase (Decrease) in Cash and Investments:		26,886	23,981	55,789	(828,215)
Ending Cash and Investments					
5081000	Reserved	71,136	-	-	-
5088000	Unreserved	207,039	76,846	261,339	5,628,022
Total Ending Cash and Investments		278,175	76,846	261,339	5,628,022

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

	112 Public Facilities Improvement	115 Hotel/Motel Tax	116 Domestic Violence Services	117 Boating Safety
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	3,226,251	37,571	4,448
388 / 588	Prior Period Adjustments, Net	-	-	51,624
Revenues				
310	Taxes	678,161	2,491	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	31,568
340	Charges for Goods and Services	-	498	35,973
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	-	-	-
Total Revenues:		678,161	2,491	498
Expenditures				
510	General Government	-	4,448	-
520	Public Safety	-	-	64,228
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	323,053	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		323,053	4,448	64,228
Excess (Deficiency) Revenues over Expenditures:		355,108	2,491	(3,950)
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	165,000	-	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		165,000	-	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	165,000	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		165,000	-	-
Increase (Decrease) in Cash and Investments:		355,108	2,491	(3,950)
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	3,581,359	40,062	498
Total Ending Cash and Investments		3,581,359	40,062	498
		54,936	54,936	54,936

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

		<u>120 Historical Preservation</u>	<u>123 Paths & Trails</u>	<u>124 REET Technology</u>	<u>126 Treasurer M&O</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	32,192	211,569	126,587	89,004
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	3,486	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	21,519	11,365	-
340	Charges for Goods and Services	5,730	30,100	6,563	25,920
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	148
Total Revenues:		<u>5,730</u>	<u>51,619</u>	<u>21,413</u>	<u>26,068</u>
Expenditures					
510	General Government	-	-	-	9,845
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	35,759	-	-
Total Expenditures:		<u>-</u>	<u>35,759</u>	<u>-</u>	<u>9,845</u>
Excess (Deficiency) Revenues over Expenditures:		<u>5,730</u>	<u>15,860</u>	<u>21,413</u>	<u>16,223</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	7,500	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	86,224	-	-
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:		<u>-</u>	<u>86,224</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>5,730</u>	<u>(62,864)</u>	<u>21,413</u>	<u>16,223</u>
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	37,922	148,705	148,000	105,227
Total Ending Cash and Investments		<u>37,922</u>	<u>148,705</u>	<u>148,000</u>	<u>105,227</u>

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

		<u>127 Quad-City Task Force</u>	<u>128 Crime Victims/Witness</u>	<u>132 Auditor Document Preservation</u>	<u>134 Election Reserve</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	276,209	269,133	119,743	24,636
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	86,117	42,835	51,823	16,092
340	Charges for Goods and Services	500	37,509	15,092	37,107
350	Fines and Penalties	3,319	8,190	-	-
360	Miscellaneous Revenues	14,079	-	-	-
Total Revenues:		<u>104,015</u>	<u>88,534</u>	<u>66,914</u>	<u>53,199</u>
Expenditures					
510	General Government	-	82,178	48,744	13,510
520	Public Safety	144,515	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>144,515</u>	<u>82,178</u>	<u>48,744</u>	<u>13,510</u>
Excess (Deficiency) Revenues over Expenditures:		(40,500)	6,356	18,171	39,689
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	12,831	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>12,831</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		(53,331)	6,356	18,171	39,689
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	222,877	275,489	137,914	64,325
Total Ending Cash and Investments		<u>222,877</u>	<u>275,489</u>	<u>137,914</u>	<u>64,325</u>

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

	135 Prosecutor STOP Grant	136 Public Defense Improvement	141 SHB 2060	143 Trial Court Improvement
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	4,598	298,815	11,081
388 / 588	Prior Period Adjustments, Net	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	28,483	-	22,669
340	Charges for Goods and Services	-	27,508	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	-	-	-
Total Revenues:		28,483	27,508	22,669
Expenditures				
510	General Government	16,119	-	10,030
520	Public Safety	7,035	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		23,154	-	10,030
Excess (Deficiency) Revenues over Expenditures:		5,329	27,508	12,639
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	-	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	10,054
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	30,622	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	30,622	10,054
Increase (Decrease) in Cash and Investments:		5,329	(3,114)	2,585
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	9,926	298,815	7,967
Total Ending Cash and Investments		9,926	298,815	113,840

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

		<u>144 Emergency Communication</u>	<u>200 Debt Service External</u>	<u>300 Capital Projects</u>	<u>400 Solid Waste</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	1,637,752
30880	Unreserved	462,208	4,718	1,087,513	1,985,092
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	749,824	-	83,755	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	135,706
340	Charges for Goods and Services	40,596	-	-	2,941,125
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,491	22	71	7,387
Total Revenues:		<u>791,912</u>	<u>22</u>	<u>83,826</u>	<u>3,084,218</u>
Expenditures					
510	General Government	-	-	7,240	-
520	Public Safety	409,261	-	-	-
530	Utilities	-	-	-	2,423,733
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>409,261</u>	<u>-</u>	<u>7,240</u>	<u>2,423,733</u>
Excess (Deficiency) Revenues over Expenditures:		<u>382,650</u>	<u>22</u>	<u>76,586</u>	<u>660,485</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	1,968,951	-	-
397	Transfers-In	-	128,763	2,505,840	323,327
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	98,464
Total Other Increases in Fund Resources:		<u>-</u>	<u>2,097,714</u>	<u>2,505,840</u>	<u>421,791</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	371,357	-	61,555	39,479
591-593, 599	Debt Service	-	128,763	-	240,632
597	Transfers-Out	-	1,968,951	130,255	396,174
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>371,357</u>	<u>2,097,714</u>	<u>191,810</u>	<u>676,285</u>
Increase (Decrease) in Cash and Investments:		11,293	22	2,390,616	405,991
Ending Cash and Investments					
5081000	Reserved	-	-	-	1,714,492
5088000	Unreserved	473,502	4,739	3,478,129	2,314,342
Total Ending Cash and Investments		473,502	4,739	3,478,129	4,028,834

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

	501 Equipment Rental/Revolvin g	511 Unemployment Insurance	513 Communication s Revolving	515 Information Technology Operations
Beginning Cash and Investments				
30810	Reserved	-	268,396	-
30880	Unreserved	2,754,183	-	1,446
388 / 588	Prior Period Adjustments, Net	-	-	767,618
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	4,121,863	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	10,088	-	-
Total Revenues:		4,131,951	-	-
Expenditures				
510	General Government	-	26,512	377,449
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	2,876,534	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		2,876,534	26,512	377,449
Excess (Deficiency) Revenues over Expenditures:		1,255,417	(26,512)	(377,449)
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	472,946
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	102,558	-	-
Total Other Increases in Fund Resources:		102,558	-	472,946
Other Decreases in Fund Resources				
594-595	Capital Expenditures	945,478	-	49,148
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	158,782	-	1,446
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		1,104,260	-	1,446
Increase (Decrease) in Cash and Investments:		253,715	(26,512)	(1,446)
Ending Cash and Investments				
5081000	Reserved	-	241,884	-
5088000	Unreserved	3,007,898	-	733,307
Total Ending Cash and Investments		3,007,898	241,884	733,307

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

		Total for All Funds (Memo Only)	690 Managerial & Memorial
		<hr/>	<hr/>
308	Beginning Cash and Investments	425,874	425,874
388 & 588	Prior Period Adjustments, Net	(8,065)	(8,065)
310-360	Revenues	16,254	16,254
380-390	Other Increases and Financing Sources	3,399,972	3,399,972
510-570	Expenditures	2,673	2,673
580-590	Other Decreases and Financing Uses	3,340,306	3,340,306
		<hr/>	<hr/>
	Net Increase (Decrease) in Cash and Investments:	73,247	73,247
508	Ending Cash and Investments	491,056	491,056

The accompanying notes are an integral part of this statement.

Whitman County
Notes to the Financial Statements
For the year ended 12/31/2016

Note 1 - Summary of Significant Accounting Policies

Whitman County was incorporated on November 29, 1871 and operates under the laws of the State of Washington applicable to a first-class county with a three-commissioner form of government. The County is a general purpose local government and provides the following services to its constituents: public safety, road improvement, judicial administration, health and social services, culture-recreation, solid waste management, and general administrative services.

The 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 County 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 County's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

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

Special Revenue Funds

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

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.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

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 government on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

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

Agency Funds

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

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Budgets

The County adopts annual appropriated budgets for Governmental funds. These budgets are appropriated at the fund level except the General (Current Expense) Fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year-end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. The funds in the chart below that are marked by an * are non-restricted special revenue and debt services funds which have been rolled into the County's Current Expense/General Fund as explained further in Note 7I.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated	Actual Expenditures	Variance
001 Current Expense			
009 Commissioners-Department	352,261	344,544	7,717
010 General Government	4,516,437	4,147,750	368,687
012 Administrative Services	205,100	200,017	5,083
013 Human Resources	198,420	188,056	10,364
020 Superior Court	176,974	175,524	1,450
030 District Court	764,410	761,458	2,952
040 Clerk	242,709	229,680	13,029
050 Treasurer	452,086	447,551	4,535
060 Auditor	874,213	836,297	37,916
080 Assessor	409,404	396,344	13,060
100 Prosecuting Attorney	621,340	583,273	38,067
105 Child Support Enforcement	132,615	104,188	28,427
120 Facilities Management	733,622	595,543	138,079
140 Sheriff	3,455,192	3,175,844	279,348
170 Juvenile Services	620,651	556,015	64,636
200 Weed Control	99,414	96,346	3,068
220 Coroner	174,593	154,822	19,771
240 County Extension	121,338	107,788	13,550
260 Emergency Management	233,507	205,858	27,649
280 Public Health	942,708	822,488	120,220
300 Fair	283,396	251,713	31,683
310 Parks & Recreation	236,203	226,461	9,742
320 Information Technology	218,469	208,715	9,754
Total Current Expense:	16,065,062	14,816,275	1,248,787
*101 Self Insurance	27,500	(1,663)	29,163
102 Building And Development	250,050	132,000	118,050
103 Countywide Planning	533,100	357,140	175,960
104 Developmental Services	835,870	539,979	295,891
*106 Extension Publications	400	102	298
108 Veterans Relief	38,300	17,471	20,829
109 Homeless Housing Plan	475,000	87,057	387,943
110 County Road-PW	19,406,350	10,481,574	8,924,776
112 Public Facilities Improvement	2,722,939	488,053	2,234,886

115 Hotel/Motel Tax	41,300	-	41,300
116 Domestic Violence Services	4,661	4,448	213
117 Boating Safety	106,600	64,228	42,372
*118 Inmate Welfare	34,000	30,245	3,755
120 Historical Preservation/Programs	33,078	-	33,078
*122 Sheriff K-9 Unit	12,500	61	12,439
123 Paths & Trails	268,500	121,983	146,517
*125 Donations & Planned Giving	401,782	28,260	373,522
126 Treasurer Maintenance and Operations	109,622	10,046	99,576
127 Quad-City Task Force-Drug Enforcement	360,000	157,347	202,653
128 Crime Victims/Witness	93,972	82,178	11,794
*130 Inter-Local Drug Fund	17,500	-	17,500
132 Auditors Document Preservation Fund	168,000	48,744	119,256
*133 Commissioners Special Revenue	378,781	-	378,781
134 Elections Reserve	39,050	13,510	25,540
135 Prosecutor STOP Grant	26,119	23,154	2,965
136 District Court Funds	39,350	-	39,350
*138 Federal Equitable Sharing	250,500	10,875	239,625
141 Washington Housing SHB 2060	35,000	30,622	4,378
143 Trial Court Improvement	111,992	20,084	91,908
144 Emergency Communication System	1,085,000	780,618	304,382
200 Debt Service-External	2,102,716	2,097,714	5,002
*210 Debt Service-County-Inside	86,890	86,889	1
300 Capital Projects	2,651,150	199,051	2,452,099
320 Capital Projects-Outside Sources	2,093,945	-	2,093,945
400 Solid Waste-PW	6,068,000	3,086,687	2,981,313
410 Solid Waste Reserve	1,398,000	13,332	1,384,668
501 Equipment Rental & Revolving	6,871,150	4,027,695	2,843,455
511 Unemployment Insurance Revolving	250,000	26,512	223,488
515 Information Technology Operation	1,229,958	509,307	720,651

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

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 five years. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to 216 hours (27 days) for most employees or 240 hours (30 days) for employees with 20 years of continuous service to the County and is payable upon separation or retirement. For 2016, there is an additional employer cost of 7.65% in the form of Federal taxes in addition to the base compensated absence liability.

Sick leave may be accumulated up to 960 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The County's other financing sources or uses consist of Transfers In/Out, proceeds from sale of Fixed Assets, Debt Service, and Intergovernmental Agreements/Subsidies.

I. Risk Management

The County is a member of Washington Rural Counties Insurance Program (WRCIP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, 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 program was formed on September 1, 1998, when three counties in the state of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2016, there are eight counties in the program.

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive, and Collision, Equipment Breakdown, and Crime Protection; and Liability, including General, Automobile, and Wrongful Acts, which are included to fit members' various needs.

The program acquires insurance through their Administrator, Clear Risk Solutions. Liability coverage is purchased to an aggregate limit of \$45,000,000 with a self-insured retention of \$50,000. Members are responsible for a \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the \$50,000 self-insured retention. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$50,000 self-insured retention in addition to the deductible. The program also purchases a Stop

Loss Policy as another layer of protection to its membership, with an attachment point of \$541,079.

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

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

Members contract to remain in the program for a minimum of one year, and must give notice prior to December 31 before terminating participation the following December 1. The Interlocal Agreement is renewed automatically each year. Even after termination, a member remains responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program is governed by an eight-member board of directors elected by each member's designated voting representative. It is felt the individual counties are best able to select their own representatives to manage their insurance association.

The program is funded by its member participants and has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, claims adjustment, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the policy year beginning December 1, 2015, and ending December 1, 2016, were \$506,550.64.

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as reserved when they are subject to restrictions on use imposed by external parties or due to internal commitments established by the Board of Commissioners. When expenditures that meet restrictions are incurred, the County intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of:

<u>Fund</u>	<u>Amount (\$)</u>	<u>Description</u>
001.000.000	1,119,029	Commissioners designated reserve
104.340.000	71,136	Developmental Services Reserve
410.400.000	1,714,492	Restricted for landfill closure & post closure costs
511.012.000	241,884	Unemployment insurance
690.007.000	430	Liberty Bell Trust Monies

690.140.000	14,415	Detainee Trust/Sheriff
690.140.001	8,662	Inmate Trust/Sheriff
690.300.001	3,888	Fair Suspense - Ernie Dippel Memorial
690.300.002	3,808	Fair Suspense - Zaidee Parvin Memorial
690.300.005	139	Fair Suspense - Building Fund

Note 2 - Property Tax

The County Treasurer acts as an agent to collect property tax levied in the County for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the County. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The County’s regular levy for the year 2016 was \$1.592773 per \$1,000 on an assessed valuation of \$ 3,640,974,942 for a total regular levy of \$ 5,799,246.59.

Whitman 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 government services. The County’s road levy for 2016 was \$ 1.532248 per \$1,000 on an assessed valuation of \$1,575,334,961 for a total road levy of \$ 2,413,803.85.

The County has chosen not to divert road levy monies as authorized by RCW 84.52.043(1)(d) at this time.

Property Tax Calendar

January 1	Taxes are levied and become an enforceable lien against properties
March 5	Tax Statements are mailed
April 30	First of two equal installment payments is due
May 31	Assessed value of property established for next year’s levy at 100% of market value _
October 31	Second Installment is due

Note 3 – Deposits and Investments

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

Investments are reported at original cost. Investments by type at December 31, 2016 are as follows:

	County's Own Investments	Investments held by County as an agent for other local governments, individuals or private organizations	Total
L.G.I.P.	21,367,066	66,407,971	87,775,037
Municipal Investments	4,719,204	5,877,814	10,597,018
Bank Investment Prog	3,553,372	1,998,513	5,551,885
	29,639,642	74,284,298	103,923,940

Local Government Investment Pool (LGIP), Municipal Investments, and Bank-Invested Programs are a combination of County and Agent-held monies. The County invests temporary cash surplus and retains the interest earned in the County’s Current Expense/General Fund. Investments held for local governments, individuals, or private organizations receive the interest income generated from their investments as the County is directed.

Note 4 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the County’s debt transactions for the year ended December 31, 2016. The debt service requirements for general obligation bonds and revenue bonds, including both principle and interest, are as follows:

	Principal	Interest	Total
2017	\$ 293,808	\$ 113,715	\$ 407,523
2018	\$ 304,220	\$ 103,303	\$ 407,523
2019	\$ 315,002	\$ 92,521	\$ 407,523
2020	\$ 326,169	\$ 81,355	\$ 407,523
2021	\$ 337,730	\$ 69,793	\$ 407,523
2022-2026	\$ 1,121,270	\$ 194,450	\$ 1,315,720
2027-2031	\$ 693,457	\$ 57,553	\$ 751,011
Total	\$ 3,391,656	\$ 712,690	\$ 4,104,346

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2016:

BORROWING FUND	LENDING FUND	BALANCE 1/1/16	NEW LOANS	REPAYMENT	BALANCE 12/31/16
Current Expense	Solid Waste	426,222		85,864	340,358
Garfield Park & Rec District #2	Current Expense	60,000		60,000	-
Rosalia Park & Rec District #5	Current Expense	15,000		15,000	-
Oakesdale Park & Rec District #4	Current Expense	-	20,000	20,000	-
Tekoa Park & Rec District #6	Current Expense	-	70,000	-	70,000
Total		501,222	90,000	180,864	410,358

Note 6 – Pension Plans

A. State Sponsored 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 and defined contribution retirement plans PERS 1, 2, 3; Public Safety ERS 2; LEOFF 1,2.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

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

The County does not participate in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2016 (the measurement date of the plans), the County's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset) (\$)
PERS 1	0.002107%	113,156
PERS 1 UAAL	0.066052%	3,547,304
PERS 2 and 3	0.080685%	4,062,426
Public Safety ERS 2	0.112545%	47,829
LEOFF 1	0.005626%	(57,964)
LEOFF 2	0.039728%	(231,070)

LEOFF Plan 1

The County also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

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

Note 7 - Other Disclosures

A. Joint Ventures

The County is a member of a nine-member consortium of counties which, through a 1996 interlocal agreement, committed to jointly renovate, operate and maintain the Martin Hall Juvenile facility located near Medical Lake, Washington. This agreement has an initial term of fifty years with an automatic renewal for another fifty years upon exercise of an option to renew the Ground Lease from the State of Washington. The Ground Lease cost is statutorily set at \$1/year payable to Washington State. The initial term of the ground lease commenced on March 13, 1996. Bonds were issued and managed by Stevens County to finance the renovation with payment obligations based on the members' shares in the facility. The final payment for the County's portion of the renovation bond was paid in 2016. Community, Counseling and Correctional Services Inc. of Butte, Montana contracts with the consortium to manage the facility in accordance with all legal requirements.

The County has an ongoing monthly obligation for 9.259% (2.5 beds/day) of operation or maintenance costs based on the annual Martin Hall facility budget, which is billed monthly. Additionally any bed days used by Whitman County beyond the 2.5 beds/day/month allocated are billed at the member rate determined each year. Maintenance which qualifies as Capital Improvement Projects is billed as a separate line item on an annual basis to allow counties to pay using non-current expense funds.

By law, adult and juvenile inmates must be separated from any Sight and Sound contact. The County does not have the ability to house juveniles in the County's Colfax, Washington correction facility due to these requirements.

Each participating county has a voting member and alternate member of the Martin Hall Board. These individuals are selected from and empowered to act on behalf of the Board of County Commissioners of each member county. Meetings are held monthly on the fourth Thursday at 10 a.m. at the Martin Hall Juvenile Facility.

Whitcom is the consolidated E-911 dispatch center for Whitman County, City of Pullman, Washington State University, City of Moscow, ID, and Asotin County, WA. The County has an appointed Commissioner member on the board of Whitcom. The County also pays contracted cost for services, \$218,940 in 2016 as well as facilitating pass-through state grants of \$1,252,405.

Aging and Long Term Care of Eastern Washington is mandated to assist seniors in finding the services they need to remain independent and safe in their homes for as long as possible, serving Whitman, Spokane, Ferry, Stevens And Pend Oreille Counties. A County Commissioner has an appointment to the Aging and Long-term Care Council. The County pays annual dues. In 2016, the dues totaled \$4,365.

The Whitman County Regional Library Board is appointed by the Board of County Commissioners to serve five-year terms. The board is responsible for governance of Whitman County Rural Library District, which is all of Whitman County except within the Pullman City limits. The district is composed of 14 branch libraries and nearly 30 employees, most being part-time. Board members work actively to learn about the library, oversee operations and help guide its future.

B. Post-Employment Benefits Other Than Pension Benefit

In addition to the pension benefits described in Note 6, the County provides post-employment health care benefits, in accordance with Revised Code of Washington (RCW) 41.26.150 to LEOFF Plan 1 employees who are retirees. Currently, four retirees meet those eligibility requirements, and actual expenditures are paid out of the General Fund/Current Expense as they are incurred.

The County carried medical insurance on two retirees and reimbursed a third retiree for separate medical coverage. A fourth member was employed in 2016 by another employer who provided the individual with medical insurance coverage. The County reimburses medical premium expenses to retirees. The County reimburses 100 percent of the amount of validated claims for medical, prescription drugs and hospitalization costs incurred by all retirees and one pre-Medicare retiree that was not covered by medical insurance and/or Medicare depending on the individual. The County has long-term care coverage and pays the premiums for three retirees. Total expended for post-employment health care for three retired members and one employed member in 2016 was \$34,454.

The County has an active LEOFF Board who sets policies and procedures pursuant to and under the authority of Section 1, Chapter 294 Laws of 1981, RCW Chapter 41.26.115. They provide a basis for uniform administration of disability retirement matters. These rules must be followed by each disability board as provided in WAC 415-105-020.

C. Closure and Postclosure Care Cost

The County has operated a Municipal Solid Waste (MSW) landfill facility for many years, at the Carothers Road Landfill facility near Pullman. The three (3) MSW cells were closed and covered in 1995, in accordance with Washington State Department of Ecology (DOE) requirements, as outlined in WAC 173-304. Amongst the provisions of the WAC are requirements to perform long-term ground water quality monitoring, gas emissions monitoring, and maintenance of the closed cells. Postclosure activities for these cells are expected to carry on for another five years, assuming there is no need for remediation or large scale repairs to the facility.

A fourth cell at the facility, Cell #4, is still open and receiving “Limited Purpose” waste (mostly construction debris and asbestos). This cell is permitted in accordance with the provisions of WAC 173-350. It is anticipated that Cell #4 will only receive waste for another two to three years, before it will require closure and long-term monitoring. At that time, the Solid Waste Reserve Fund will finance the closure costs. Post-closure activities for Cell #4 are predicted to carry on for a minimum of twenty years after closure, assuming there is no need for remediation or large scale repairs to the facility. Closure costs are estimated to be approximately \$1.133 million.

The 2016 annual costs associated with the landfill for post-closure activity for Cells 1-3 were \$29,940 to cover permits, groundwater monitoring, and inspections.

Both WAC 173-304-467 and WAC 173-350-600 require public entities to maintain a financial assurance account. The sole purpose of the account is to bear the costs of performing closure and post-closure activities at the facility. The financial assurance plan for the facility has been submitted to the DOE for approval in our facility permit renewal process. The financial assurance plan and funds have been reviewed and approved by DOE and the jurisdictional health department.

The County has established a fund for closure and post-closure costs (Fund 410, Solid Waste Reserve), which meets the requirements of the WAC provisions. A portion of the tipping fee collected at the facility (\$2.50/ton) is transferred to the Reserve fund from the Solid Waste Fund. The amount transferred to the Solid Waste Reserve Fund in 2016 was \$82,695. The amount of the transfer is monitored each couple of years to assess whether the balance of the fund is sufficient to cover the long-term costs of closure and postclosure activities.

D. Self-Insurance

The County is allowed by Washington State Department of Employment Security to self-insure our risk. As described in Schedule 21, \$26,512 were paid out in claims for 2016. The December 31, 2016 restricted cash balance of the fund is \$241,884.

E. Pollution Remediation Obligation

The County continually reviews any possible pollution remediation and foresees no obligations at this time for any of the remediation items mentioned below. The County considered asbestos removal, EPA superfund sites, Brownfield remediation, leaking underground storage tanks, chemical spills, and water pollution as possible pollution remediation situations. To review specifically:

1. **Asbestos removal** – The County placed asbestos removal in two categories; voluntary commencement and imminent threat for any County-owned site or properties. Known points of exposure are the Courthouse proper and a small amount in a roofing layer on the Public Service Building, soon to be abated by a licensed contractor. Asbestos inspections are completed annually by staff and every three years by an outside contractor to determine

if there are any imminent threats, and if those threats are found they are immediately remedied by an outside contractor who is responsible for proper disposal. Site-specific surveys are conducted before any action is taken on construction or remodeling in or around any properties owned by the County. This process involves an outside contractor to be brought in to assess any possible asbestos exposures and eradicate the issue and properly dispose of materials as part of any County renovation. Costs of abatements in the last several years have run from \$6,500 to \$ 36,000 and have occurred because of contingency to construction during planned renovation projects.

2. **EPA Superfund Sites** – This is not applicable to the County.
3. **Brownfield Remediation** – This is not applicable to the County.
4. **Leaking underground storage tanks** – The County owns one underground storage tank beneath the parking lot north of the Colfax Jail Facility. It is a small 1,000-gallon tank containing diesel fuel for a nearby generator. The tank is monitored weekly by the Facilities Maintenance staff to ensure that lines are tight and fuel usage is measured and documented with run time recording. The tank has an alarm system, and an outside contractor makes annual inspections of the tank to ensure its viability and safety. Any leak would be detected immediately, and remediation is considered negligible.
5. **Chemical Spills** – The County uses a minimal amount of chemicals, and they are handled by licensed and trained employees for County-run facilities. Public Works hires contractors to perform any chemical spraying along County roads.
6. **Water Pollution** – Five septic systems are located at the Fairgrounds facility. They are situated at proper distances from a creek running through the 47 acre site. There are seven holding tanks and dump stations that are continually monitored and serviced by licensed pumping companies in the region. Animal manure and bedding materials accumulated during Fairground events are hauled away to eliminate any possible pollution situation.

F. Litigation, Claims, Assessments

There is a current lawsuit against the County by April and Gary Morris, relating to a motorcycle wreck on a County road. The allegation against the county involves an allegation that the road is defectively designed and/or that the signage was inadequate. This matter has been referred to the County's insurer, who has retained the Spokane firm of Evans Craven and Lackey. The County Prosecutor respectfully declines to provide information as to the County's defense strategy in the matter, however, he can tell you that he believes it is unlikely that this case will result in any monetary liability to the County that would not be covered by the County's insurance with Canfield and Associates.

There was a threatened suit involving a dispute with a former employee who was threatening to sue over allegations of breach of contract and/or involving a whistle-blower violation. The former employee was represented by his local union, Teamsters Local 690. Attorney R. Sandberg was handling the former employee matter and reported to the Board of County Commissioners and the Prosecutor. The matter was resolved in 2017.

Other than those items listed above, there are no updates after December 31, 2016.

G. Pending Fiscal Concern

The County signed an agreement with a property developer, Hawkins Companies LLC, in May of 2008. The agreement stipulates that the County would reimburse the developer for property infrastructure costs, not to exceed \$9.1 million dollars. In exchange for this commitment by the County, the developer would guarantee that a national home improvement chain (Lowe's or similar type) would be built, and that other retailers would commit in sufficient numbers to allow the project to proceed. There was no specific terminology in the contract which addressed the inability of the developer to attract the number of retailers necessary to start the project, nor was there a sunset clause contained within the agreement. To date there has been no retail commercial development and therefore no financial payment from the County.

H. Prior Period Adjustments

Current Expense/General Fund recorded a net of \$113,882 in prior period adjustments for 2016. The most significant was \$117,646 increase to cash. Warrants voided in the prior accounting system were incorrectly moved into New World as outstanding. In fiscal year 2011 an attempt to correct did not properly address the increase to cash, so a prior-year journal entry was prepared in 2016.

I. Rolling Up Funds

For the purpose of financial reporting presentation, the following funds were rolled up into one reporting unit:

The Special Revenue Funds and Debt Service Fund listed in the table below were rolled up into Current Expense/General Fund because they were not restricted by RCW, contract, agreement, or any other instrument or source.

	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
Self-Insurance Fund	8,589	0	(1,663)	10,252
Extension Publications	158	173	102	229
Inmate Welfare	17,148	12,290	30,245	-807
Sheriff K-9 Unit	15,948	350	61	16,237

Donations & Planned Giving	370,955	5,939	28,260	348,634
House Bill 3900	87,469	0	0	87,469
Interlocal Drug Fund	12,525	0	0	12,525
Web Site Development	608	0	0	608
Federal Equitable Sharing	192,375	794	10,875	182,294
Debt Service-County	85,650	0	86,889	(1,239)
Commissioner Special Revenue	203,202	0	0	203,202
Combined with other General Funds	994,627	19,546	154,769	859,404

Capital Project Funds 300, 310, and 320 were reported under the 300 fund number. The table below shows the detail of the rollup.

	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
300 Capital Projects General	932,339	2,589,595	199,050	3,322,884
310 Capital Projects Fair Museum	13,000	51		13,051
320 Capital Projects GO Bond Funds	142,174	20		142,194
Combined Funds under 300	1,087,513	2,589,666	199,050	3,478,129

Solid Waste Fund 400 and Solid Waste Reserve Fund 410 were reported under the 400 fund number. The table below shows the detail of the rollup.

	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
400 Solid Waste Fund	1,985,092	3,415,937	3,086,687	2,314,342
410 Solid Waste Reserve Fund	1,637,752	90,072	13,332	1,714,492
Combined Funds under 400	3,622,844	3,506,009	3,100,019	4,028,834

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Martin Hall Bond	12/1/2016	43,366	-	43,366	-
263.91	Public Works Building Bond	3/31/2031	-	1,968,951	51,450	1,917,501
Total General Obligation Debt/Liabilities:			43,366	1,968,951	94,816	1,917,501
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Solid Waste Revenue Bond	12/20/2023	1,655,831	-	181,676	1,474,155
259.12	Compensated Absences		664,999	17,004	-	682,003
263.22	Landfill Closure & Postclosure		1,924,200	-	-	1,924,200
264.30	Net Pension Liability		6,853,704	917,011	-	7,770,715
Total Revenue and Other (non G.O.) Debt/Liabilities:			11,098,734	934,015	181,676	11,851,073
Total Liabilities:			11,142,100	2,902,966	276,492	13,768,574

**Whitman County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

		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	
Food And Nutrition Service, Department Of Agriculture (via Washington State Department of Health)	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C17133	130,639	-	130,639	-	1, 2, 3	
Food And Nutrition Service, Department Of Agriculture (via Washington State Department of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C17133	174	-	174	-	1, 2, 3	
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	15-62210-016	50,319	-	50,319	48,819	1, 2, 3, 4	
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	16-62210-016	65,372	-	65,372	63,872	1, 2, 3, 4	
		Total CFDA 14.228:		115,691	-	115,691	112,691		
Office For Victims Of Crime, Department Of Justice (via Washington State Department of Commerce)	Crime Victim Assistance	16.575	S17-31102-534	22,971	-	22,971	-	1, 2	
Violence Against Women Office, Department Of Justice (via Washington State Department of Commerce)	Violence Against Women Formula Grants	16.588	F15-31103-034	23,154	-	23,154	7,035	1, 2, 4	
Bureau Of Justice Assistance, Department Of Justice	State Criminal Alien Assistance Program	16.606	N/A	-	1,046	1,046	-	1, 2	

The accompanying notes are an integral part of this schedule.

**Whitman County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

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		
Bureau Of Justice Assistance, Department Of Justice	Bulletproof Vest Partnership Program	16.607	N/A	-	488	488	-	1, 2
Bureau Of Justice Assistance, Department Of Justice (via Washington State Department of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	M15-31440-018	80,416	-	80,416	14,079	1, 2, 4
Highway Planning and Construction Cluster								
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-8938	3,388	-	3,388	-	1, 2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Dept. of Transportation)	Highway Planning and Construction	20.205	LA-7295	3,477	-	3,477	-	1, 2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Dept. of Transportation)	Highway Planning and Construction	20.205	LA-8693	7,606	-	7,606	-	1, 2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Dept. of Transportation)	Highway Planning and Construction	20.205	LA-8720	1,592	-	1,592	-	1, 2
Federal Highway Administration (fhwa), Department Of Planning & Construction)	Highway Planning and Construction	20.205	LA-8888	10,274	-	10,274	-	1, 2
Federal Highway Administration (fhwa), Department Of Planning & Construction)	Highway Planning and Construction	20.205	LA-8907	1,343,510	-	1,343,510	-	1, 2
Total Highway Planning and Construction Cluster:				1,369,847	-	1,369,847	-	

The accompanying notes are an integral part of this schedule.

**Whitman County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

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		
Highway Safety Cluster								
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington State Traffic Safety Commission)	State and Community Highway Safety	20.600	N/A	603	-	603	-	1, 2
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington State Traffic Safety Commission)	National Priority Safety Programs	20.616	N/A	4,055	-	4,055	-	1, 2
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	SWV0001892-01	306	-	306	-	1, 2
				Total CFDA 20.616:	-	4,361	-	
				Total Highway Safety Cluster:	-	4,964	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Dept. of Health)	Public Health Emergency Preparedness	93.069	C-17133	20,044	-	20,044	-	1, 2, 3
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	C-17133	5,101	-	5,101	-	1, 2, 3
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	C-17133	6,321	-	6,321	-	5

The accompanying notes are an integral part of this schedule.

**Whitman County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

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		
			Total CFDA 93.268:	11,422	-	11,422	-	
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Health)	Child Support Enforcement	93.563	75-1501-0-1-609	76,128	-	76,128	-	1, 2
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Health)	Child Support Enforcement	93.563	2110-80496	10,298	-	10,298	-	1, 2
			Total CFDA 93.563:	86,426	-	86,426	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733	C-17133	1,316	-	1,316	-	1, 2, 3
Health Resources And Services Administration, Department Of Health And Human Services (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C-17133	40,137	-	40,137	-	1,2,3
United States Coast Guard (uscg), Department Of Homeland Security (via Washington State Parks & Recreation Commission)	Boating Safety Financial Assistance	97.012	N/A	19,840	-	19,840	-	1, 2

The accompanying notes are an integral part of this schedule.

**Whitman County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

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		
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military)	Emergency Management Performance Grants	97.042	E16-134	25,402	-	25,402	-	1, 2
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military)	Homeland Security Grant Program	97.067	E15-115 (SDEM M19)	13,903	-	13,903	-	1, 2
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military)	Homeland Security Grant Program	97.067	E16-076 (GSEM1519)	17,649	-	17,649	-	1, 2
Total CFDA 97.067:				31,552	-	31,552	-	
Total Federal Awards Expended:				1,983,995	1,534	1,985,529	133,805	

The accompanying notes are an integral part of this schedule.

Whitman County

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2016

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 the 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

Public Health Department has a Stated Indirect Rate of 37-percent for each of their grants. The negotiated percentage was accepted and approved July 1, 2016, so for January through June 2016 the 10-percent de Minimis was used and July through December 2016 the 37-percent was used.

The U.S. Department of Housing and Urban Development (HUD) via the Washington State Department of Commerce pays the County a \$3,000 overhead fee for each Community Development Block Grant, each running from July 1 through June 30. In 2016, the County receive \$1,750 for 15-62210-016 and \$1,250 for 1662210-016.

With the exception of the two items noted above, all other County entities have elected to use the 10-percent de minimis indirect cost rate, if they so choose, allowed under the Uniform Guidance.

Note 4 – Amounts Awarded to Sub-Recipients

Included in the total amount for this program is \$133,805 that was passed through to a sub-recipient that administered its own project.

Note 5 - Non-cash Awards - Vaccinations

The amount of vaccine reported on the schedule is the value of vaccine received by the county during the current year and priced as prescribed by the County Health Officer.

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.

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

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