



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report
Garfield County

For the period January 1, 2015 through December 31, 2016

Published December 18, 2017

Report No. 1020400





Office of the Washington State Auditor
Pat McCarthy

December 18, 2017

Board of Commissioners
Garfield County
Pomeroy, Washington

Report on Financial Statements

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

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

Sincerely,

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

Pat McCarthy
State Auditor
Olympia, WA

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**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**

**Garfield County
January 1, 2015 through December 31, 2016**

Board of Commissioners
Garfield County
Pomeroy, 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 Garfield County, Washington, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated December 2, 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 audits 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 will report to the management of the County in a separate letter dated December 11, 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

December 2, 2017

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Garfield County January 1, 2015 through December 31, 2016

Board of Commissioners
Garfield County
Pomeroy, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Garfield County, Washington, for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 10.

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 audits. We conducted our audits 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, Garfield 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 Garfield County, for the years ended December 31, 2016 and 2015, 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 Garfield County, as of December 31, 2016 and 2015, or the changes in financial position or cash flows for the years 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 audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The Schedules of Liabilities are 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 December 2, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Pat McCarthy

State Auditor

Olympia, WA

December 2, 2017

FINANCIAL SECTION

Garfield County January 1, 2015 through December 31, 2016

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2016
Fund Resources and Uses Arising from Cash Transactions – 2015
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2016
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2015
Notes to Financial Statements – 2016
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SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2016
Schedule of Liabilities – 2015

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

		Total for All Funds (Memo Only)	001 Current Expense	101 County Road	102 Fair Fund Ag Museum
Beginning Cash and Investments					
30810	Reserved	2,326,285	250,473	-	160,215
30880	Unreserved	5,277,573	2,608,862	952,122	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	1,883,488	1,033,653	804,934	-
320	Licenses and Permits	53,082	53,082	-	-
330	Intergovernmental Revenues	5,816,435	1,301,952	3,035,681	31,716
340	Charges for Goods and Services	698,507	608,340	-	12,977
350	Fines and Penalties	2,961	2,811	-	150
360	Miscellaneous Revenues	868,779	81,947	71,292	74,568
Total Revenues:		9,323,252	3,081,785	3,911,907	119,411
Expenditures					
510	General Government	1,754,058	1,626,225	78,988	-
520	Public Safety	1,573,288	1,390,260	-	-
530	Utilities	93,581	31,270	62,311	-
540	Transportation	2,688,567	-	1,934,319	-
550	Natural and Economic Environment	134,295	134,295	-	-
560	Social Services	275,620	134,058	-	-
570	Culture and Recreation	175,032	107,966	-	67,066
Total Expenditures:		6,694,441	3,424,074	2,075,618	67,066
Excess (Deficiency) Revenues over Expenditures:		2,628,811	(342,289)	1,836,289	52,345
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	728,468	728,420	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	123,757	117,694	300	1,609
381, 395, 398	Other Resources	47,760	17,667	-	-
Total Other Increases in Fund Resources:		899,985	863,781	300	1,609
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,014,465	69,616	1,751,088	37,913
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	728,467	48	363	93
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	56,032	34,043	22,171	-
581	Other Uses	33,250	16,750	-	-
Total Other Decreases in Fund Resources:		2,832,214	120,457	1,773,622	38,006
Increase (Decrease) in Cash and Investments:		696,582	401,035	62,967	15,948
Ending Cash and Investments					
5081000	Reserved	2,579,995	270,437	-	176,163
5088000	Unreserved	5,720,444	2,989,932	1,015,089	-
Total Ending Cash and Investments		8,300,439	3,260,369	1,015,089	176,163

The accompanying notes are an integral part of this statement.

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

		104 Mental Health	106 Veterans Relief	113 Substance Abuse	114 Paths and Trails
Beginning Cash and Investments					
30810	Reserved	139,737	12,663	2,130	38,309
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	16,255	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	118,965	6,386
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	49	-	-
Total Revenues:		16,255	49	118,965	6,386
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	17,084
550	Natural and Economic Environment	-	-	-	-
560	Social Services	15,731	-	120,311	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		15,731	-	120,311	17,084
Excess (Deficiency) Revenues over Expenditures:		524	49	(1,346)	(10,698)
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	2	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		2	-	-	-
Increase (Decrease) in Cash and Investments:		522	49	(1,346)	(10,698)
Ending Cash and Investments					
5081000	Reserved	140,259	12,712	784	27,611
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		140,259	12,712	784	27,611

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

		119		126 Historic	
		Developmental	124 DUI Fund	Document	127 E911
		Disab			
Beginning Cash and Investments					
30810	Reserved	1,686	41,089	301,678	167,200
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	20,794
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	6,026	12,260	41,612	624,200
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	13
Total Revenues:		6,026	12,260	41,612	645,007
Expenditures					
510	General Government	-	-	48,845	-
520	Public Safety	-	4,564	-	165,388
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	5,520	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		5,520	4,564	48,845	165,388
Excess (Deficiency) Revenues over Expenditures:		506	7,696	(7,233)	479,619
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	926	-	885
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	926	-	885
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	11,857	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	7	2	8	427,556
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		7	2	11,865	427,556
Increase (Decrease) in Cash and Investments:		499	8,620	(19,098)	52,948
Ending Cash and Investments					
5081000	Reserved	2,185	49,709	282,580	220,148
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		2,185	49,709	282,580	220,148

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

		128 Rural Transportation	129 Emergency Manage.	130 Criminal Justice	133 Trial Court Improve
Beginning Cash and Investments					
30810	Reserved	7,154	7	1,173,327	30,617
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	131,570	-	496,319	9,748
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	12,630	-	-	-
Total Revenues:		144,200	-	496,319	9,748
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	55	-	13,021
530	Utilities	-	-	-	-
540	Transportation	153,074	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		153,074	55	-	13,021
Excess (Deficiency) Revenues over Expenditures:		(8,874)	(55)	496,319	(3,273)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	48	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	2,003	-	-	-
381, 395, 398	Other Resources	16,750	-	-	-
Total Other Increases in Fund Resources:		18,753	48	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	116	-	300,000	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	16,500	-	-	-
Total Other Decreases in Fund Resources:		16,616	-	300,000	-
Increase (Decrease) in Cash and Investments:		(6,737)	(7)	196,319	(3,273)
Ending Cash and Investments					
5081000	Reserved	417	-	1,369,646	27,344
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		417	-	1,369,646	27,344

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

		<u>301 Capital Improvement</u>	<u>501 Equip Rental & Revol</u>
Beginning Cash and Investments			
30810	Reserved	-	-
30880	Unreserved	1,008,680	707,909
388 / 588	Prior Period Adjustments, Net	-	-
Revenues			
310	Taxes	7,852	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	-	77,190
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	628,280
Total Revenues:		<u>7,852</u>	<u>705,470</u>
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	584,090
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		<u>-</u>	<u>584,090</u>
Excess (Deficiency) Revenues over Expenditures:		<u>7,852</u>	<u>121,380</u>
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	-
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	-	340
381, 395, 398	Other Resources	-	13,343
Total Other Increases in Fund Resources:		<u>-</u>	<u>13,683</u>
Other Decreases in Fund Resources			
594-595	Capital Expenditures	9,038	134,953
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	272
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	(182)
581	Other Uses	-	-
Total Other Decreases in Fund Resources:		<u>9,038</u>	<u>135,043</u>
Increase (Decrease) in Cash and Investments:		(1,186)	20
Ending Cash and Investments			
5081000	Reserved	-	-
5088000	Unreserved	1,007,494	707,929
Total Ending Cash and Investments		<u>1,007,494</u>	<u>707,929</u>

Garfield County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		Total for All Funds (Memo Only)	001 Current Expense	101 County Road	102 Fair Fund
Beginning Cash and Investments					
30810	Reserved	2,115,326	250,324	-	141,062
30880	Unreserved	4,392,545	2,245,177	716,505	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	1,776,806	965,492	766,271	-
320	Licenses and Permits	67,586	67,586	-	-
330	Intergovernmental Revenues	4,585,970	1,156,900	2,001,443	30,414
340	Charges for Goods and Services	837,554	606,615	500	13,887
350	Fines and Penalties	616	616	-	-
360	Miscellaneous Revenues	762,870	69,644	2,132	63,613
Total Operating Revenues:		8,031,402	2,866,853	2,770,346	107,914
Operating Expenditures					
510	General Government	1,626,269	1,566,797	13,233	-
520	Public Safety	1,529,181	1,305,090	-	-
530	Utilities	113,722	30,765	82,957	-
540	Transportation	2,568,250	-	1,861,801	-
550	Natural and Economic Environment	48,185	48,185	-	-
560	Social Services	248,663	132,102	-	-
570	Culture and Recreation	168,516	105,829	-	62,687
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		6,302,786	3,188,768	1,957,991	62,687
Net Operating Increase (Decrease):		1,728,616	(321,915)	812,355	45,227
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	442,545	183,211	208,162	2,610
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	746,002	633,797	-	-
Total Nonoperating Revenues:		1,188,547	817,008	208,162	2,610
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	341,085	42,243	223,481	-
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	734,096	89,017	461,029	28,596
597	Transfers-Out	746,002	-	100,390	89
Total Nonoperating Expenditures:		1,821,183	131,260	784,900	28,685
Net Increase (Decrease) in Cash and Investments:		1,095,980	363,833	235,617	19,152
Ending Cash and Investments					
5081000	Reserved	2,326,279	250,472	-	160,215
5088000	Unreserved	5,277,572	2,608,862	952,121	-
Total Ending Cash and Investments		7,603,851	2,859,334	952,121	160,215

The accompanying notes are an integral part of this statement.

Garfield County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		104 Mental Health	106 Veterans Relief	113 Substance Abuse	114 Paths and Trails
Beginning Cash and Investments					
30810	Reserved	145,057	12,628	784	31,783
30880	Unreserved	-	-	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	15,277	14	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	91,860	6,526
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	17	-	-
Total Operating Revenues:		15,277	31	91,860	6,526
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	20,596	-	90,514	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		20,596	-	90,514	-
Net Operating Increase (Decrease):		(5,319)	31	1,346	6,526
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
Total Nonoperating Revenues:		-	-	-	-
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	-	-	-	-
597	Transfers-Out	1	-	-	-
Total Nonoperating Expenditures:		1	-	-	-
Net Increase (Decrease) in Cash and Investments:		(5,320)	31	1,346	6,526
Ending Cash and Investments					
5081000	Reserved	139,737	12,659	2,130	38,309
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		139,737	12,659	2,130	38,309

The accompanying notes are an integral part of this statement.

Garfield County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		119 Developmental Disab	124 DUI Fund	126 Historic Document	127 E911
Beginning Cash and Investments					
30810	Reserved	1,692	32,879	309,031	198,707
30880	Unreserved	-	-	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	-	-	-	20,665
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	5,451	11,285	38,893	585,811
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	10
Total Operating Revenues:		5,451	11,285	38,893	606,486
Operating Expenditures					
510	General Government	-	-	46,239	-
520	Public Safety	-	3,073	-	205,046
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	5,451	-	-	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		5,451	3,073	46,239	205,046
Net Operating Increase (Decrease):		-	8,212	(7,346)	401,440
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
Total Nonoperating Revenues:		-	-	-	-
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	-	-	-	-
597	Transfers-Out	7	2	7	432,947
Total Nonoperating Expenditures:		7	2	7	432,947
Net Increase (Decrease) in Cash and Investments:		(7)	8,210	(7,353)	(31,507)
Ending Cash and Investments					
5081000	Reserved	1,685	41,089	301,678	167,200
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		1,685	41,089	301,678	167,200

The accompanying notes are an integral part of this statement.

Garfield County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		128 Rural Transportation	129 Emergency Manage.	130 Criminal Justice	133 Trial Court Improve
Beginning Cash and Investments					
30810	Reserved	51,543	7	914,939	24,890
30880	Unreserved	-	-	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	170,290	22,982	458,388	5,727
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	12,889	-	-	-
Total Operating Revenues:		183,179	22,982	458,388	5,727
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	15,972	-	-
530	Utilities	-	-	-	-
540	Transportation	133,929	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		133,929	15,972	-	-
Net Operating Increase (Decrease):		49,250	7,010	458,388	5,727
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	16,800	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	12,205	-	-	-
Total Nonoperating Revenues:		29,005	-	-	-
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	55,500	-	-	-
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	67,031	7,010	-	-
597	Transfers-Out	113	-	200,000	-
Total Nonoperating Expenditures:		122,644	7,010	200,000	-
Net Increase (Decrease) in Cash and Investments:		(44,389)	-	258,388	5,727
Ending Cash and Investments					
5081000	Reserved	7,154	7	1,173,327	30,617
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		7,154	7	1,173,327	30,617

The accompanying notes are an integral part of this statement.

Garfield County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		<u>301 Capital Improvement</u>	<u>501 Equip Rental & Revol</u>
Beginning Cash and Investments			
30810	Reserved	-	-
30880	Unreserved	999,380	431,483
388 & 588	Prior Period Adjustments, Net	-	-
Operating Revenues			
310	Taxes	9,087	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	-	216,552
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	213	614,352
Total Operating Revenues:		<u>9,300</u>	<u>830,904</u>
Operating Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	572,520
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
598	Miscellaneous Expenses	-	-
Total Operating Expenditures:		<u>-</u>	<u>572,520</u>
Net Operating Increase (Decrease):		<u>9,300</u>	<u>258,384</u>
Nonoperating Revenues			
370-380, 395 & 398	Other Financing Sources	-	31,762
391-393	Debt Proceeds	-	-
397	Transfers-In	-	100,000
Total Nonoperating Revenues:		<u>-</u>	<u>131,762</u>
Nonoperating Expenditures			
580, 596 & 599	Other Financing Uses	-	19,861
591-593	Debt Service	-	-
594-595	Capital Expenditures	-	81,413
597	Transfers-Out	-	12,446
Total Nonoperating Expenditures:		<u>-</u>	<u>113,720</u>
Net Increase (Decrease) in Cash and Investments:		<u>9,300</u>	<u>276,426</u>
Ending Cash and Investments			
5081000	Reserved	-	-
5088000	Unreserved	1,008,680	707,909
Total Ending Cash and Investments		<u>1,008,680</u>	<u>707,909</u>

The accompanying notes are an integral part of this statement.

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

		Total for All Funds (Memo Only)	621 Crim. Victims Witness	623 IRPCR	630 Helen Shepherd Lib.
308	Beginning Cash and Investments	96,548	66,202	19,457	10,889
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	4,040	4,040	-	-
380-390	Other Increases and Financing Sources	-	-	-	-
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	-	-	-	-
	Net Increase (Decrease) in Cash and Investments:	4,040	4,040	-	-
508	Ending Cash and Investments	100,588	70,242	19,457	10,889

The accompanying notes are an integral part of this statement.

Garfield County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		Total for All Funds (Memo Only)	621 Crim. Victims Witness	623 IRPCR	630 Helen Shepherd Lib.
308	Beginning Cash and Investments	91,773	61,465	19,457	10,851
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	4,775	4,737	-	38
380-390	Other Increases and Financing Sources	-	-	-	-
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	-	-	-	-
	Net Increase (Decrease) in Cash and Investments:	4,775	4,737	-	38
508	Ending Cash and Investments	96,548	66,202	19,457	10,889

The accompanying notes are an integral part of this statement.

GARFIELD COUNTY, WASHINGTON
ALL FUNDS
NOTES TO FINANCIAL STATEMENTS
January 1, 2016 to December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Garfield County was incorporated on November 29, 1881 and operates under the laws of the state of Washington applicable to a second class county with a commissioner form of government. The county is a general purpose government and provides general administrative services, public safety, road improvement, judicial administration, health and social services.

The County reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. 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

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The county's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the county:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

Special Revenue Funds

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

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 county on a cost-reimbursement basis.

FIDUCIARY FUND TYPES:

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

Private-Purpose Trust Funds

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

Agency Funds

These funds are used to account assets that county holds for others in an agency capacity.

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

c. Budgets

The county adopts annual appropriated budgets for the Current Expense, County Road, Fair Fund, Ag Museum, Fair Building, Mental Health, Veterans Relief, Parks and Recreation, Noxious Weed Board, Employees CAF Trust, Substance Abuse, Paths and Trails, Law Library, LFO Collections, Affordable housing, Burn Permits, Developmental Disabilities, REET, City County Drug, DARE, DUI, Auditor O&M, Historic Document Preservation, E911, Rural Transportation, Emergency Management, Criminal Justice, Trial Court Improvement, MH Building Maintenance, Capital Improvements, ER&R, Criminal Victims Witness and HS Library funds. These budgets are appropriated at the fund level except in 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 appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
Commissioner	241265	226900	14365
Superior Court	80978	72332	8646
Clerk	111706	106412	5294
Emergency Management	11500	11491	9
District Court	174128	162014	12114
Treasurer	166893	151909	14984
Auditor	208083	195668	12415
Assessor	156634	140699	15935
Board of Equalization	4225	1947	2278
Election	20250	19172	1078
Prosecuting Attorney	246099	219041	27058
Courthouse	126767	127947	1180-
Computer	76000	59954	16046
Copy Machine	16400	11473	4927
Sheriff	860467	754933	105534
Civil Service	300	300	0
Jail	213498	181450	32048
Dispatcher	447457	445833	1624
Building Inspector	6950	2335	4615
Voluntary Stewardship	210511	103678	106833
Service Delivery	126720	119199	7521
Senior Round Table	0	0	0
Planning	28900	28282	618
Agent	75120	71200	3920
Library	61986	52289	9697
Miscellaneous	100453	61788	38665
CE Total	3773290	3328246	445044
County Road	5991874	4065275	1926599
Fair Fund	93596	98373	4777
Ag. Museum	112500	6606	105894
Fair Building Fund	11150	0	11150
Mental Health	156008	15731	140277
Veterans Relief	12660	0	12660
Treasurer's Revolving	00	0	0
Noxious Weed Board *	31000	27270	3730
Employees CAF Trust *	110000	104469	5531
Substance Abuse	108100	120311	-12211
Paths and Trails	43000	17084	25916
Law Library *	8150	5579	2571
LFO Collections *	2900	0	2900
Affordable Housing *	32500	14500	18000
Burn Permits *	70000	41034	28966
Developmental Disab.	7220	5520	1700
County Tech Fee REET *	83790	7502	76288

City County Drug *	8500	0	8500
DUI	49000	4564	44436
Auditor O&M*	82503	0	82503
Historic Doc. Pres.	359860	60802	299508
E911	715075	592944	122131
Rural Transportation	198346	169690	28656
Emergency Management	22000	55	21945
Criminal Justice	1803000	300000	1503000
Trial Court Improvement	36000	13021	22979
MH Building Maint. *	23000	359	22641
Capital Improvements	1214500	9038	1205462
ER&R		719133	173392
Criminal Victims Witness	20000	0	20000
HS Library	3351	0	3351
* These funds roll up and are presented as part of the Current Expense Fund			

Budgeted amounts are authorized to be transferred between object classes within a department of the General Fund and are authorized to be transferred between object classes within the other funds; 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

It is the county's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is posted to the Current Expense fund per RCW 36.29.020 and the County Investment Policy.

e. Deposits

It is the County's policy to invest all temporary cash surpluses as per the County Investment Policy. All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All investments are insured, registered or held by the County or its agent in the Government's name.

f. Investments

See Investment Note 3.

g. Capital Assets

Capital assets are long-lived assets of the county and are recorded as expenditures when purchased. During the budget process capital purchase requests are identified by the departments and then reviewed and approved for purchase by the County Commissioners as a separate line item within the appropriate budget. Capital assets are assets with an initial individual cost of more than \$5000 and an estimated useful life in excess of 5 years.

h. Compensated Absences

Vacation pay may be accumulated up to 240 hours and is payable upon separation or retirement.

Sick leave may be accumulated from year to year not to exceed the limit of 960 working hours. Sick Leave earned after the employee has accumulated the full limit of 960 unused hours shall be converted to vacation time by the County at the rate of one hour of vacation time for each 2 hours of excess unused sick leave. For those employees first hired before December 27, 1995, no payment shall be made at retirement for any accumulated sick leave existing and not used as of the retirement date. Employees who contemplate retirement, and have given notice in writing to the department head of the effective date of their retirement, may convert any existing sick leave to compensation time off with pay to the extent of said unused sick leave. Those employees first hired on or after December 27, 1995, shall, upon retirement, be paid a sick leave cash-out on a three-to-one basis (three days of accumulated sick leave equals one regular day of pay). In the event of termination for reasons other than retirement or death, no payment shall be made for any accumulated sick leave existing at time of termination.

i. Debt Service Requirements

See Debt Service Requirements Note 6

j. Other Financing Sources or Uses

The county's *Other Financing Sources or Uses* consist of operating transfers-in and operating transfers-out or compensation for the sale/loss/impairment of Capital Assets and may include custodial activities for other taxing districts.

k. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Garfield County 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 funds budgeted for specific projects or commitments.

l. Risk Management

Garfield County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2016, 26 counties participate in the WCRP.

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

during an eligible period and occurring anywhere in the world. Total coverage limits are \$25 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2016, Garfield County selects a per-occurrence deductible of \$10,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions (“SIRs”) equal to the greater of the deductible for the member with the claim or \$100,000. More recent years’ reinsurance programs have included “corridor deductibles” with aggregated stop losses which have the effect of increasing the Pool’s SIR. For 2015-16, this “corridor” increased the SIR to \$2 million, but with an aggregated stop loss of \$3.45 million. Other reinsurance agreements respond to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

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

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

During 2015-16, Garfield County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties’ buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes ‘All Other Perils (“AOP”)’ coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

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

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. Garfield County’s representative on the Risk Pool Board of Directors is Commissioner Wynne McCabe, with Commissioner Robert K. Johnson as alternate. The Board of Directors generally meets three-times each year with the Annual Meeting of the Pool’ being held in summer. The Board approves the extent of risk-sharing, approves the Pool’s self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool’s annual operating budget.

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

develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon

During 2015-16, the WCRP's assets decrease 4% to \$46.8 million while its liabilities increased slightly to \$29 million. The Pool's net position decreased slightly from \$18.9 million to \$17.9 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2016 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

Garfield County has elected to purchase joint self-insurance with a \$10,000 deductible. The policy limits are as follows: Property (buildings and contents) \$7,000,000; Comp general liability, \$7,000,000; Auto liability, \$10,000,000; public officials and employees liability, \$10,000,000; crime, \$10,000,000 boiler and catastrophe, \$7,000,000 with a \$100,000 deductible. Garfield County self-insures for vehicle collision and theft.

The financial statements of the risk pool may be obtained by contacting the following:

Washington Counties Risk Pool
205 Clark Place SE
Tumwater, WA 98501-4062

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

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

Two budgets exceeded legal appropriations under the county's budget. They are:

	Budget	Expenditures	Variance
Current Expense, Courthouse:	\$126,767	\$127,947	- \$1,180
(Reason – Unanticipated year end furnace repairs – too late for Supplemental Budget, funds were available in cash)			

Substance Abuse, Prevention	\$108,100	\$120,311	- \$ 12,211
(Reason – Payment of a voucher late in billing cycle – too late for Supplemental Budget, funds were available in cash)			

NOTE 3 - INVESTMENTS

The county's investments are either insured, registered or held by the county or its agent in the county's name. Investments will be carried at cost as per our County Investment Policy (Resolution #13923).

Investments are presented at US Bank, Umpqua Bank, and Columbia State Bank.

Investments by type at December 31, 2016 are as follows:

Type of Investment	Garfield County's own investments	Investments held by Garfield County as an agent for other local governments, individual or private organizations.	Total
CO RESID / ST POOL	\$ 7,107,265.13		\$ 7,107,265.13
CO RESID/TV/US BK/BDS	\$ 2,003,051.91		\$ 2,003,051.91
CO RESID/UMPQUA BK/MM	\$ 750,423.03		\$ 750,423.03
CO RESID/US BK/CD	\$ 250,000.00		\$ 250,000.00
FIRE DISTRICT/ST POOL		\$ 818,168.15	\$ 818,168.15
HOSPITAL / ST POOL		\$ 996,442.79	\$ 996,442.79
HS LIBRARY/UMPQUA BANK CD	\$ 7,500.00		\$ 7,500.00
IRPCR / PI	\$ 14,425.33		\$ 14,425.33
PORT DISTRICT / ST PL		\$ 594,064.32	\$ 594,064.32
PUBLIC HEALTH UMPQUA BK / MM		\$ 250,000.00	\$ 250,000.00
SCHOOL / ST PL		\$ 834,465.43	\$ 834,465.43
VETERANS RELIEF/ST PL	\$ 11,694.38		\$ 11,694.38
Total	\$ 10,144,359.78	\$ 3,493,140.69	\$ 13,637,500.47

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 per County Investment Policy.

NOTE 4 - PROPERTY TAX

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

Property tax revenues are recognized when cash is received by 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 \$1.100184053340 per \$1,000 on an assessed valuation of \$648,331,771 for a total regular levy of \$713,284.28.

The county's Mental Health levy for the year 2016 was \$.025 per \$1,000 on an assessed valuation of \$648,331,771 for a total mental health levy of \$16,208.29.

The county is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The county's road levy for 2016 was \$1.39064249875 per \$1,000 on an assessed valuation of \$577,278,726 for a total road levy of \$802,788.33.

The County elected to not levy for Veterans Relief.

NOTE 5 - INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2016:

Borrowing Fund	Lending Fund	Balance 1/1/2015	New Loans	Repayments	Balance 12/31/2015
102 – FF	001 – CE	\$ 4,000	\$	\$	\$ 4,000
104 – MH	001 – CE	\$ 12,037	\$	\$	\$ 12,037
195 – MH Mt.	001 – CE	\$ 1,000	\$	\$	\$ 1,000
127 – E911	001 – CE	\$ 7,100	\$	\$	\$ 7,100
401 – SWM	001 – CE	\$ 1,200	\$	\$	\$ 1,200
128 – RT	001 – CE	\$ 0	\$ 16,500	\$ 16,500	\$ 0
	Totals	\$ 25,337	\$ 16,500	\$ 16,500	\$ 25,337

NOTE 6 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the County's debt transactions for year ended December 31, 2016. The debt service requirements for County Leases are as follows:

Year	Principle	Interest	Total
2016	\$ 25,050	\$ 5,289	\$ 30,339
2017	\$ 62,020	\$ 24,762	\$ 86,782
2018	\$ 64,025	\$ 22,757	\$ 86,782
2019	\$ 66,095	\$ 20,687	\$ 86,782
2020	\$ 68,232	\$ 18,550	\$ 86,782
2021 – 2023	\$ 509,331	\$ 18,736	\$ 528,067

NOTE 7 - PENSION PLANS

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

- Public Employees Retirement System (PERS)
- Law Enforcement Officers and Fire Fighters (LEOFF)

The State Legislature established, 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
PO Box 48380
Olympia, WA 98504-8380

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

At June 30, 2016, the County proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	ALLOCATION %	LIABILITY (Asset)
PERS 1	.000113%	\$ 6,069
PERS 1 UAAL	.016906%	\$ 907,932
PERS 2 / 3	.021968%	\$ 1,089,255
LEOFF 1	.000774%	\$ (7,974)
LEOFF 2	.011702%	\$ (74,902)

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

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

NOTE 8 – PRIOR PERIOD ADJUSTMENTS

The County had no Prior Period Adjustments.

NOTE 9 - OTHER DISCLOSURES

The Board of Garfield County Commissioners also sit on the five member Public Health District Board (PHD) along with two residents from the community. The PHD is audited on their own as a junior taxing district. Garfield County provides funds in the amount of \$32,500 annually to the Public Health District for the purpose of providing Public Health Services as per an on-going agreement with the district.

Commissioner Robert K. Johnson sits on the Board for the Washington Counties Risk Pool. Commissioner Robert K. Johnson is the Chairman of the Aging and Long Term Care COG Board for 2015 - 2016.

GARFIELD COUNTY, WASHINGTON
ALL FUNDS
NOTES TO FINANCIAL STATEMENTS
January 1, 2015 to December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Garfield County was incorporated on November 29, 1881 and operates under the laws of the state of Washington applicable to a second class county with a commissioner form of government. The county is a general purpose government and provides general administrative services, public safety, road improvement, judicial administration, health and social services.

The County reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. The county uses single-entry, cash basis accounting which is a departure 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

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The county's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the county:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

Special Revenue Funds

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

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 county on a cost-reimbursement basis.

FIDUCIARY FUND TYPES:

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

Private-Purpose Trust Funds

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

Agency Funds

These funds are used to account assets that county holds for others in an agency capacity.

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

c. Budgets

The county adopts annual appropriated budgets for the Current Expense, County Road, Fair Fund, Ag Museum, Fair Building, Mental Health, Veterans Relief, Parks and Recreation, Noxious Weed Board, Employees CAF Trust, Substance Abuse, Paths and Trails, Law Library, LFO Collections, Affordable housing, Burn Permits, Developmental Disabilities, REET, City County Drug, DARE, DUI, Auditor O&M, Historic Document Preservation, E911, Rural Transportation, Emergency Management, Criminal Justice, Trial Court Improvement, MH Building Maintenance, Capital Improvements, ER&R, Criminal Victims Witness and HS Library funds. These budgets are appropriated at the fund level except in 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 appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
Commissioner	229425	213337	16088
Superior Court	78984	66356	12628
Clerk	100170	96731	3439
Meth Enforcement	0	0	0
District Court	167685	153276	14409
Treasurer	157645	143481	14164
Auditor	193064	183849	9215
Assessor	176852	134389	42463
Board of Equalization	3836	2746	1090
Election	52550	48364	4186
Prosecuting Attorney	234466	219814	14652
Courthouse	114329	104165	10164
Computer	75000	52497	22503
Copy Machine	10450	2841	7609
Sheriff	787437	713078	74359
Civil Service	300	275	25
Jail	194040	174385	19655
Dispatcher	431352	426359	4993
Building Inspector	10325	1908	8417
Administration	3930	0	3930
Service Delivery	118546	117424	1122
Senior Round Table	0	0	0
Planning	46900	46277	623
Agent	74066	71222	2844
Library	53501	46327	7174
Miscellaneous	283403	64359	219044
CE Total	3598256	3083460	514796
County Road	4214087	2762500	1451587
Fair Fund	63046	69271	-6225
Ag. Museum	106000	22081	83919
Fair Building Fund	4008	0	4008
Mental Health	156800	20598	136202
Veterans Relief	12010	0	12010
Treasurer's Revolving	0	0	0
Noxious Weed Board *	32000	26784	5216
Employees CAF Trust *	110000	109060	940
Substance Abuse	101000	90514	10486
Paths and Trails	36000	0	36000
Law Library *	8070	9549	-1479
LFO Collections *	2000	98	1902
Affordable Housing *	15500	14181	1319
Burn Permits *	70000	67230	2770
Developmental Disab.	7220	5458	1762
County Tech Fee REET *	81180	5357	75823
City County Drug *	8000	1645	6355
DUI	45000	3073	41927
Auditor O&M *	81603	0	81603

Historic Doc. Pres.	363000	46246	316574
E911	713442	637993	75449
Rural Transportation	238538	256573	-18035
Emergency Management	24000	22982	1018
Criminal Justice	1203000	200000	1003000
Trial Court Improvement	30000	0	30000
MH Building Maint. *	20500	496	20004
Capital Improvements	1207600	0	1207600
ER&R	809998	686455	123543
Criminal Victims Witness	10000	0	10000
HS Library	2800	38	2762
* These funds roll up and are presented as part of the Current Expense Fund			

Budgeted amounts are authorized to be transferred between object classes within a department of the General Fund and are authorized to be transferred between object classes within the other funds; 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

It is the county's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is posted to the Current Expense fund per RCW 36.29.020 and the County Investment Policy.

e. Deposits

The county's deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

f. Investments See Investment Note 3.

g. Capital Assets

Capital assets are long-lived assets of the county and are recorded as expenditures when purchased. During the budget process capital purchase requests are identified by the departments and then reviewed and approved for purchase by the County Commissioners as a separate line item within the appropriate budget. Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 5 years.

h. Compensated Absences

Vacation pay may be accumulated up to 240 hours and is payable upon separation or retirement.

Sick leave may be accumulated from year to year not to exceed the limit of 960 working hours. Sick Leave earned after the employee has accumulated the full limit of 960 unused hours shall be converted to vacation time by the County at the rate of one hour of vacation time for each 2 hours of excess unused sick leave. For those employees first hired before December 27, 1995, no payment shall be made at retirement for any accumulated sick leave existing and not used as of the retirement date. Employees who contemplate retirement, and have given notice in writing to the

department head of the effective date of their retirement, may convert any existing sick leave to compensation time off with pay to the extent of said unused sick leave. Those employees first hired on or after December 27, 1995, shall, upon retirement, be paid a sick leave cash-out on a three-to-one basis (three days of accumulated sick leave equals one regular day of pay). In the event of termination for reasons other than retirement or death, no payment shall be made for any accumulated sick leave existing at time of termination.

i. Debt Service Requirements - See Debt Service Requirements Note 6

j. Other Financing Sources or Uses

The county's *Other Financing Sources or Uses* consist of operating transfers-in and operating transfers-out or compensation for the sale/loss/impairment of Capital Assets and may include custodial activities for other taxing districts.

k. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Garfield County 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 funds budgeted for specific projects or commitments.

l. Risk Management

Garfield County is a member of the Washington Counties Risk Pool ("Pool") which was formed August 18, 1988 when 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. Chapter 48.62 RCW authorizes the governing bodies of governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. The agreement to form the Pool was made pursuant to the provisions of Chapter 39.43 RCW, the Interlocal Cooperation Act. The Pool is presently comprised of twenty-eight of the state's counties.

The Pool allows its member counties to establish a plan of self-insurance, jointly purchase excess insurance or reinsurance, and provide related services. All pool joint self-insurance liability coverage, including public official's errors and omissions, are on an "occurrence" basis. The pool has also arranged property and special events/concessionaires insurance coverage to be purchased as group purchase options for its member counties.

Member counties contract initially to remain in the Pool for five years and renew annually automatically. Following the initial 5-year commitment, a county may terminate its Pool membership at the conclusion of any Pool fiscal year if the county has timely provided the required notice. Even after termination, a member county is responsible for contributions to the Pool for any unresolved, unreported, and in-process claims from the period(s) that it was a signatory to the Interlocal agreement.

The pool is governed by a board that is comprised of one director (and one or more alternates) appointed by each participating member county from the county's own officials or employees. An executive committee is selected by the governing board from the directors and alternates at the annual meeting that is responsible for overseeing the business affairs of the Pool.

Since the Pool is a cooperative program, there is contingent liability among the participating member counties. Claims that are filed with the Pool are subject to the deductible amount selected by the filing county. Member deductibles range from \$10,000 to \$500,000 per occurrence. The Pool, which is fully funded by the annual assessments contributed by its member counties, acquires reinsurance and excess insurance policies from unrelated underwriters with a self-insured retention of \$100,000 per occurrence.

The member counties are responsible for amount within their deductibles for each claim and the pool is responsible for any difference remaining up to the \$100,000 self-insured retention. The reinsurance and excess insurance carriers cover all losses exceeding the Pool's \$100,000 retention or the member county's deductible, whichever is greater, to the maximum limits of their policies.

RCW 48.62.141 and the Interlocal Agreement provide for the contingent liability of participants in the program if assets of the program are insufficient to cover the program's liabilities. Deficits of the Pool are financed through retroactive assessments to member counties, including the following that is pertinent to Garfield County.

- In July 2004, the Pool board approved a reassessment of \$2.1 million to offset the uncollected insurance reimbursements and legal expenses resulting from certain excess insurance and reinsurance companies having delayed reimbursement to the Pool of their contractual shares from the Vicwood-Meridian class action settlement. This additional reassessment will be billed in equal payments starting at a time and in amounts set by the Pool's Executive Committee when the Committee determines that funds are needed to address the Pool's near or short-term financial obligations and/or after the Committee has determined that reasonable efforts to collect the amounts have been made without complete success. Any actual reassessment forthcoming will be distributed according to the proportional amounts paid by each participant county for the \$4.5 million excess of \$0.5 million layer of excess insurance and/or reinsurance for the applicable policy year(s) actually reassessed.

Garfield County has elected to purchase joint self-insurance with a \$10,000 deductible. The policy limits are as follows: Property (buildings and contents) \$7,000,000; Comp general liability, \$7,000,000; Auto liability, \$10,000,000; public officials and employees liability, \$10,000,000; crime, \$10,000,000 boiler and catastrophe, \$7,000,000 with a \$100,000 deductible. Garfield County self-insures for vehicle collision and theft.

The financial statements of the risk pool may be obtained by contacting the following:

Washington Counties Risk Pool
205 Clark Place SE
Tumwater, WA 98501-4062

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions.
There have been no expenditures exceeding legal appropriations in any of the funds of the county.

NOTE 3 - INVESTMENTS

The county's investments are either insured, registered or held by the county or its agent in the county's name. Investments are reported at original cost as per our County Investment Policy (Resolution #13923).

Investments are presented at US Bank, Umpqua Bank, and Columbia State Bank.

Investments by type at December 31, 2015 are as follows:

Type of Investment	Garfield County's own investments	Investments held by Garfield County as an agent for other local governments, individual or private organizations.	Total
LGIP County	\$ 4,596,001.21		\$ 4,596,001.21
TV/BD US Bank	\$ 1,503,899.13		\$ 1,503,899.13
Umpqua Bank CD			
Umpqua Bank MM	\$ 1,504,713.64		\$ 1,504,713.64
US Bank CD	\$ 250,000.00		\$ 250,000.00
Columbia Bank Now Acct.	\$ 750,025.82		\$ 750,025.82
IRPCR ILGIP	\$ 14,425.33		\$ 14,425.33
HS Library Umpqua Bank	\$ 7,500.00		\$ 7,500.00
LGIP Veterans Relief	\$ 11,645.41		\$ 11,645.41
LGIP Hospital Mem			
LGIP School Dist. # 110		\$ 423,403.80	\$ 423,403.80
LGIP Public Health		\$ 250,000.00	\$ 250,000.00
LGIP School BD			
LGIP ASB			
LGIP Hospital General		\$ 1,034,730.23	\$ 1,034,730.23
LGIP School TVF			
LGIP Port District		\$ 539,679.95	\$ 539,679.95
LGIP Port USFSM			
LGIP Fire District		\$ 515,618.67	\$ 515,618.67
Total	\$ 8,638,210.54	\$ 2,763,432.65	\$ 11,401,643.19

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 per County Investment Policy.

NOTE 4 - PROPERTY TAX

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

Property tax revenues are recognized when cash is received by 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 2015 was \$1.12074278 per \$1,000 on an assessed valuation of \$607,503,638 for a total regular levy of \$680,855.32.

The county's Mental Health levy for the year 2015 was \$.025 per \$1,000 on an assessed valuation of \$607,503,638 for a total mental health levy of \$15,187.59.

The county is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The county's road levy for 2014 was \$1.42004693 per \$1,000 on an assessed valuation of \$536,780,759 for a total road levy of \$762,253.87.

The County elected to not levy for Veterans Relief.

NOTE 5 - INTERFUND LOANS AND ADVANCES

The following table displays interfund loan activity during 2015:

Borrowing Fund	Lending Fund	Balance 1/1/2015	New Loans	Repayments	Balance 12/31/2015
102 – FF	001 – CE	\$ 4,000	\$	\$	\$ 4,000
104 – MH	001 – CE	\$ 12,037	\$	\$	\$ 12,037
195 – MH Mt.	001 – CE	\$ 1,000	\$	\$	\$ 1,000
127 – E911	001 – CE	\$ 7,100	\$	\$	\$ 7,100
401 – SWM	001 – CE	\$ 1,200	\$	\$	\$ 1,200
128 – RT	001 – CE	\$ 45,900	\$ 9,600	\$ 55,500	\$ 0
	Totals	\$ 71,237	\$ 9,600	\$ 55,500	\$ 25,337

NOTE 6 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the County's debt transactions for year ended December 31, 2015. The debt service requirements for County Leases are as follows:

Year	Principle	Interest	Total
2015	\$ 29,644	\$ 695	\$ 30,339
2016	\$ 25,050	\$ 5,289	\$ 30,339
2017	\$ 25,863	\$ 4,476	\$ 30,339
2018	\$ 26,701	\$ 3,637	\$ 30,339
2019	\$ 27,568	\$ 2,771	\$ 30,339
2020 – 2021	\$ 57,847	\$ 2,830	\$ 60,677

NOTE 7 - PENSION PLANS

Substantially all county full-time and qualifying part-time employees participate in Public Employees Retirement System (PERS) and Law Enforcement Officers and Fire fighters (LEOFF) administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the county's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department

of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

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

NOTE 8 – WORKING ADVANCES

Garfield County no longer has any working advances.

NOTE 9 – PRIOR PERIOD ADJUSTMENTS

The County had no Prior Period Adjustments.

NOTE 10 - OTHER DISCLOSURES

The Board of Garfield County Commissioners also sit on the five member Public Health District Board (PHD) along with two residents from the community. The PHD is audited on their own as a junior taxing district. Garfield County provides funds in the amount of \$32,500 annually to the Public Health District for the purpose of providing Public Health Services as per an on-going agreement with the district.

Commissioner Robert K. Johnson sits on the Board for the Washington Counties Risk Pool. Commissioner Robert K. Johnson is the Chairman of the Aging and Long Term Care COG Board for 2015 - 2016.

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

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Countywide Compensated Absences		140,026	-	19,574	120,452
263.52	Lease Purchase E251	1/25/2021	163,028	-	25,050	137,978
263.52	Lease Purchase - E 120	4/12/2021	-	236,714	-	236,714
263.52	Lease Purchase - E121	4/12/2021	-	236,714	-	236,714
263.52	Lease Purchase - E252	8/15/2023	-	158,297	-	158,297
264.30	DRS Pension Requirements		1,696,733	306,522	-	2,003,255
Total Revenue and Other (non G.O.) Debt/Liabilities:			1,999,787	938,247	44,624	2,893,410
Total Liabilities:			1,999,787	938,247	44,624	2,893,410

**Garfield County
Schedule of Liabilities
For the Year Ended December 31, 2015**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	County Wide Compensated Absences	12/31/2015	122,411	17,615	-	140,026
263.52	Lease Purchase E251	1/25/2021	-	192,672	29,644	163,028
263.84	DRS Pension / GASB 68	12/31/2015	-	1,696,733	-	1,696,733
Total Revenue and Other (non G.O.) Debt/Liabilities:			122,411	1,907,020	29,644	1,999,787
Total Liabilities:			122,411	1,907,020	29,644	1,999,787

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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