



Office of the Washington State Auditor
Pat McCarthy

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

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

Published September 6, 2018

Report No. 1022011





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

September 6, 2018

Board of Commissioners
Adams County
Ritzville, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

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

Pat McCarthy
State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Adams County January 1, 2017 through December 31, 2017

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Adams 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 Cluster – 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.

**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**

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

Board of Commissioners
Adams County
Ritzville, 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 Adams County, Washington, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated August 14, 2018.

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

As discussed in Note 8 to the financial statements, during the year ended 2017, the County adopted guidance for presentation and disclosure of amounts collected and held for special purpose districts in fiduciary funds, as required by the BARS manual.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

are appropriate in the circumstances for the purpose of expressing our 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.

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

August 14, 2018

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

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

Board of Commissioners
Adams County
Ritzville, Washington

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

We have audited the compliance of Adams County, Adams 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, 2017. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy
State Auditor
Olympia, WA

August 14, 2018

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Adams County January 1, 2017 through December 31, 2017

Board of Commissioners
Adams County
Ritzville, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Adams County, Washington, for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 16.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, Adams 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 Adams County, for the year ended December 31, 2017, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

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

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Adams County, as of December 31, 2017, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Matters of Emphasis

As discussed in Note 8 to the financial statements, in 2017, the County adopted new accounting guidance for presentation and disclosure of amounts collected and held for special purpose districts in fiduciary funds, as required by the BARS manual. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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Pat McCarthy

State Auditor

Olympia, WA

August 14, 2018

FINANCIAL SECTION

Adams County January 1, 2017 through December 31, 2017

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

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

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

		Total for All Funds (Memo Only)	001 Current Expense	103 E911	104 IHCS
Beginning Cash and Investments					
30810	Reserved	11,397,783	203,824	475,117	2,068,201
30880	Unreserved	7,287,010	3,341,842	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	7,618,304	4,764,817	478,254	9,231
320	Licenses and Permits	173,800	90,317	-	83,042
330	Intergovernmental Revenues	12,741,458	1,842,512	585,331	1,902,132
340	Charges for Goods and Services	3,810,006	662,814	42,358	71,406
350	Fines and Penalties	760,570	759,684	-	-
360	Miscellaneous Revenues	3,212,008	477,867	310	22,714
Total Revenues:		28,316,146	8,598,011	1,106,253	2,088,525
Expenditures					
510	General Government	5,116,248	4,106,536	-	-
520	Public Safety	4,003,485	3,109,251	726,589	-
530	Utilities	1,321,730	-	-	-
540	Transportation	9,251,286	-	-	-
550	Natural and Economic Environment	824,912	432,234	-	-
560	Social Services	2,627,572	33,007	-	2,307,486
570	Culture and Recreation	329,246	141,203	-	-
Total Expenditures:		23,474,480	7,822,232	726,589	2,307,486
Excess (Deficiency) Revenues over Expenditures:		4,841,666	775,780	379,664	(218,961)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	880,074	81,000	-	100,000
385	Special or Extraordinary Items	746,469	746,469	-	-
386 / 389	Custodial Activities	140,516	124,043	-	50
381, 395, 398	Other Resources	116,992	-	-	-
Total Other Increases in Fund Resources:		1,884,050	951,512	-	100,050
Other Decreases in Fund Resources					
594-595	Capital Expenditures	4,027,102	71,394	8,841	150,465
591-593, 599	Debt Service	167,500	-	-	-
597	Transfers-Out	880,074	717,580	-	-
585	Special or Extraordinary Items	746,469	-	-	-
586 / 589	Custodial Activities	14,012	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		5,835,157	788,975	8,841	150,465
Increase (Decrease) in Cash and Investments:		890,560	938,317	370,823	(269,376)
Ending Cash and Investments					
5081000	Reserved	11,395,793	816,365	845,940	1,798,825
5088000	Unreserved	8,179,559	3,667,617	-	-
Total Ending Cash and Investments		19,575,352	4,483,983	845,940	1,798,825

The accompanying notes are an integral part of this statement.

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

		105 Criminal Justice	106 Emergency Services	107 Veterans Services	108 Fair
Beginning Cash and Investments					
30810	Reserved	1,286,221	10,006	32,811	27,873
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	168,334	-	5,114	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	62,293	-	34,402
340	Charges for Goods and Services	-	-	-	140
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	6,729	9	88	32,187
Total Revenues:		175,062	62,302	5,202	66,729
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	111,070	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	3,413	-
570	Culture and Recreation	-	-	-	172,598
Total Expenditures:		-	111,070	3,413	172,598
Excess (Deficiency) Revenues over Expenditures:		175,063	(48,768)	1,789	(105,869)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	49,021	-	97,553
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	5,662
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	49,021	-	103,215
Other Decreases in Fund Resources					
594-595	Capital Expenditures	50,643	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	73,766	-	-	-
585	Special or Extraordinary Items	604,200	-	-	-
586 / 589	Custodial Activities	-	-	-	4,395
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		728,609	-	-	4,395
Increase (Decrease) in Cash and Investments:		(553,546)	253	1,789	(7,049)
Ending Cash and Investments					
5081000	Reserved	732,674	10,260	34,600	20,825
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		732,674	10,260	34,600	20,825

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

		109 Law Library	110 Paths and Trails	111 Regional Landfill Settlement	112 Jail Inmate Welfare
Beginning Cash and Investments					
30810	Reserved	1,871	80,934	252,495	142,268
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	21,885	-	-
340	Charges for Goods and Services	7,058	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	207	-	34,840	-
Total Revenues:		7,266	21,885	34,840	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	2,500	-
560	Social Services	-	-	21,000	-
570	Culture and Recreation	7,260	-	3,000	-
Total Expenditures:		7,260	-	26,500	-
Excess (Deficiency) Revenues over Expenditures:		5	21,885	8,340	-
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	-	-	6,309	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	142,268
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	6,309	142,268
Increase (Decrease) in Cash and Investments:		5	21,885	2,031	(142,268)
Ending Cash and Investments					
5081000	Reserved	1,877	102,820	254,525	-
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		1,877	102,820	254,525	-

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

		113 Education Support	114 Treasurers O & M	115 County Road	116 Auditor's O & M
Beginning Cash and Investments					
30810	Reserved	10,857	8,585	5,495,164	47,567
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	1,744,620	-
320	Licenses and Permits	-	-	441	-
330	Intergovernmental Revenues	-	-	7,858,788	48,464
340	Charges for Goods and Services	-	8,524	53,918	6,318
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,160	-	5,658	15
Total Revenues:		1,160	8,524	9,663,425	54,796
Expenditures					
510	General Government	-	5,434	39,649	62,785
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	7,181,528	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	5,185	-	-	-
Total Expenditures:		5,185	5,434	7,221,177	62,785
Excess (Deficiency) Revenues over Expenditures:		(4,025)	3,090	2,442,248	(7,988)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	100	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	100	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	2,535,011	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	75,000	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	2,610,011	-
Increase (Decrease) in Cash and Investments:		(4,025)	3,090	(167,663)	(7,988)
Ending Cash and Investments					
5081000	Reserved	6,832	11,675	5,327,502	39,578
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		6,832	11,675	5,327,502	39,578

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

		117 Developmental Disability	119 Trial Ct Improvement	120 Tourism Enhancement	122 Distressed Co/Pub Facilities
Beginning Cash and Investments					
30810	Reserved	18,634	18,179	6,462	750,653
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	41,904	-	1,201	293,429
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	91,034	23,449	-	63,702
340	Charges for Goods and Services	56,924	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,826	181	-	8,894
Total Revenues:		191,688	23,630	1,201	366,026
Expenditures					
510	General Government	-	13,692	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	3,000	201,424
560	Social Services	193,734	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		193,734	13,692	3,000	201,424
Excess (Deficiency) Revenues over Expenditures:		(2,046)	9,938	(1,799)	164,601
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	100	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		100	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	5,364	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	7,728
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	5,364	-	7,728
Increase (Decrease) in Cash and Investments:		(1,946)	4,574	(1,799)	156,873
Ending Cash and Investments					
5081000	Reserved	16,688	22,753	4,663	907,527
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		16,688	22,753	4,663	907,527

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

		123 Low Income Housing	130 Drug Enforcement	131 RSO Addr Verif	135 Crime Victims Compensation
Beginning Cash and Investments					
30810	Reserved	226,573	58,334	71,657	1,893
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	369	18,745	49,750	-
340	Charges for Goods and Services	75,573	11,837	-	18,158
350	Fines and Penalties	-	670	-	-
360	Miscellaneous Revenues	800	1,074	-	-
Total Revenues:		76,742	32,326	49,750	18,158
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	8,103	48,472	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	68,932	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		68,932	8,103	48,472	-
Excess (Deficiency) Revenues over Expenditures:		7,810	24,223	1,278	18,158
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	-	1,748	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	6,000	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	7,748	-	-
Increase (Decrease) in Cash and Investments:		7,810	16,475	1,278	18,158
Ending Cash and Investments					
5081000	Reserved	234,382	74,809	72,935	20,051
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		234,382	74,809	72,935	20,051

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

		136 Domestic Violence Prevention	137 Domestic Violence Assessment	166 Noxious Weed	210 Debt Service
Beginning Cash and Investments					
30810	Reserved	2,457	8,530	90,616	-
30880	Unreserved	-	-	-	54
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	69	-	2,896	-
350	Fines and Penalties	-	216	-	-
360	Miscellaneous Revenues	-	-	176,165	-
Total Revenues:		69	216	179,062	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	185,754	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	185,754	-
Excess (Deficiency) Revenues over Expenditures:		69	216	(6,693)	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	167,500
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	167,500
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	57,508	-
591-593, 599	Debt Service	-	-	-	167,500
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	57,508	167,500
Increase (Decrease) in Cash and Investments:		69	216	(64,201)	-
Ending Cash and Investments					
5081000	Reserved	2,525	8,746	26,416	-
5088000	Unreserved	-	-	-	54
Total Ending Cash and Investments		2,525	8,746	26,416	54

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

		<u>301 Rodeo Lake</u>	<u>321 Capital Improvement</u>	<u>322 Capital Projects</u>	<u>323 Real Estate Tech</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	5,469	375,652	470,472	110,677
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	111,401	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	9,404
340	Charges for Goods and Services	-	6,830	-	1,760
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	3,381	4,259	-
Total Revenues:		-	121,612	4,259	11,164
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	121,612	4,259	11,164
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	-	142,944	38,709	-
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:		-	142,944	38,709	-
Increase (Decrease) in Cash and Investments:		-	(21,332)	(34,450)	11,164
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	5,469	354,319	436,022	121,841
Total Ending Cash and Investments		5,469	354,319	436,022	121,841

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

		324 Econ Dev Cap Proj	401 Solid Waste	501 Courthouse O & M	502 Central Services
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	116,060	1,778,163	37,199	89,198
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	129,198	-	-
340	Charges for Goods and Services	-	1,391,975	-	505,529
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,112	73,415	69,052	6,975
Total Revenues:		1,112	1,594,588	69,052	512,503
Expenditures					
510	General Government	-	-	463,363	423,256
520	Public Safety	-	-	-	-
530	Utilities	-	1,321,730	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	1,321,730	463,363	423,256
Excess (Deficiency) Revenues over Expenditures:		1,112	272,858	(394,311)	89,248
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	385,000	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	10,511	-	50
381, 395, 398	Other Resources	-	114,741	-	-
Total Other Increases in Fund Resources:		-	125,252	385,000	50
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	352,855	-	81,004
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	9,617	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	362,472	-	81,004
Increase (Decrease) in Cash and Investments:		1,112	35,638	(9,311)	8,294
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	117,172	1,813,800	27,889	97,492
Total Ending Cash and Investments		117,172	1,813,800	27,889	97,492

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

		590 Intergov Services
Beginning Cash and Investments		
30810	Reserved	-
30880	Unreserved	962,224
388 / 588	Prior Period Adjustments, Net	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	885,917
350	Fines and Penalties	-
360	Miscellaneous Revenues	2,283,089
Total Revenues:		3,169,007
Expenditures		
510	General Government	1,532
520	Public Safety	-
530	Utilities	-
540	Transportation	2,069,759
550	Natural and Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,071,291
Excess (Deficiency) Revenues over Expenditures:		1,097,715
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	2,251
Total Other Increases in Fund Resources:		2,251
Other Decreases in Fund Resources		
594-595	Capital Expenditures	524,307
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:		524,307
Increase (Decrease) in Cash and Investments:		575,659
Ending Cash and Investments		
5081000	Reserved	-
5088000	Unreserved	1,537,884
Total Ending Cash and Investments		1,537,884

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

		Total for All Funds (Memo Only)	Investment Trust	Agency
308	Beginning Cash and Investments	51,416,534	44,906,477	6,510,057
388 & 588	Prior Period Adjustment, Net	-	-	-
310-390	Additions	614,996,294	244,493,612	370,502,681
510-590	Deductions	612,931,770	244,394,224	368,537,546
	Net Increase (Decrease) in Cash and Investments:	2,064,524	99,388	1,965,134
508	Ending Cash and Investments	53,481,058	45,005,865	8,475,193

The accompanying notes are an integral part of this statement.

Adams County
Notes to the Financial Statements
For the year ended December 31, 2017

Note 1 - Summary of Significant Accounting Policies

Adams County was incorporated in 1883 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 local government and provides public safety, road improvement, judicial administration, health and social services 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 government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

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

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 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.

In accordance with state law the county also recognizes expenditures paid during sixteen days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The county adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except 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 follows:

Fund number	Fund name	budget	expenditures	ending bal
001	Current Expense			
001/005	Commissioners	302,966.00	299,734.68	3,231.32
001/010	Superior Court	263,550.00	257,556.34	5,993.66
001/015	Ritzville District Ct	306,711.00	289,728.75	16,982.25
001/016	Othello District Ct	325,147.00	314,420.02	10,726.98
001/020	Board of Equalization	6,700.00	2,446.50	4,253.50
001/023	Auditor	409,407.00	360,716.78	48,690.22
001/025	Clerk	186,276.00	180,102.58	6,173.42
001/030	Treasurer	294,432.00	277,953.02	16,478.98
001/040	Assessor	384,476.00	379,645.99	4,830.01
001/045	Prosecuting Attorney	706,244.00	663,128.81	43,115.19
001/046	Support Enforcement	197,867.00	153,194.99	44,672.01
001/050	Civil Service	2,950.00	1,027.44	1,922.56
001/055	Human Resources	96,729.00	15,906.20	80,822.80
001/060	Leoff	50,000.00	37,528.11	12,471.89
001/065	Police Ops	1,860,496.00	1,860,495.27	0.73
001/070	Care & Custody	704,906.00	682,960.62	21,945.38
001/085	Juvenile	474,375.00	439,774.75	34,600.25
001/087	Planning & Building	462,412.00	417,234.34	45,177.66
001/090	Coroner	30,200.00	15,636.16	14,563.84
001/095	Agent	143,536.00	141,202.61	2,333.39
001/099	Non-Departmental	1,817,661.00	1,803,050.58	14,610.42
Total	Current Expense	9,027,041.00	8,593,444.54	433,596.46
0012	Current Expense Reserve	0.00	0.00	0.00
0013	GO Bond	0.00	0.00	0.00
0014	Employee Liability	0.00	0.00	0.00
0015	Juvenile Detention Alt	10,000.00	1,365.36	8,634.64
0016	Jail Operation and Improvement	10,000.00	9,109.00	891.00
0017	Criminal Justice Reserve	150,000.00	0.00	150,000.00
0018	Sheriff Donation Fund	17,700.00	13,499.12	4,200.88
132	Seized and Forfeited Property	0.00	0.00	0.00
643	Treasurer's Suspense	0.00	0.00	0.00
Total	Current Exp plus managerial	9,214,741.00	8,617,418.02	597,322.98
103	Enhanced 911	795,201.00	735,430.09	59,770.91
104	Integrated Health	2,458,646.00	2,457,951.35	694.65
105	Criminal Justice	126,267.00	124,408.84	1,858.16
106	Emergency Management	117,469.00	111,069.85	6,399.15

107	Veterans Relief	11,300.00	3,412.92	7,887.08
108	Fair	179,053.00	172,598.10	6,454.90
109	Law Library	7,300.00	7,260.16	39.84
110	Paths & Trails	750.00	0.00	750.00
111	Regional Landfill Settlement	279,493.00	32,809.32	246,683.68
112	Jail Inmate Welfare	0.00	0.00	0.00
113	Education Support Programs	8,584.00	5,185.09	3,398.91
114	Treasurer's O & M	10,000.00	5,433.96	4,566.04
115	County Road	9,940,721.00	9,831,187.98	109,533.02
116	Auditor's O & M	67,008.00	62,785.26	4,222.74
117	Developmental Disability	232,259.00	193,734.14	38,524.86
119	Trial Court Improvement	23,000.00	19,056.04	3,943.96
120	Tourism Enhancement	3,000.00	3,000.00	0.00
122	Distressed Co/Pub Serv	401,166.00	209,151.61	192,014.39
123	Low Income Housing	78,000.00	68,932.35	9,067.65
130	Drug Enforcement	22,150.00	15,850.73	6,299.27
131	RSO Addr Verif	49,300.00	48,472.20	827.80
135	Crime Victims Compens	0.00	0.00	0.00
166	Noxious Weed	249,410.00	243,261.56	6,148.44
210	Debt Service	167,500.00	167,500.00	0.00
301	Rodeo Lake	0.00	0.00	0.00
321	Capital Improvements	164,516.00	142,944.30	21,571.70
322	Capital Projects	39,000.00	38,709.08	290.92
323	R/E Technology	105,499.00	0.00	105,499.00
324	Econ Dev Cap Proj	0.00	0.00	0.00
401	Solid Waste	1,687,218.00	1,674,584.79	12,633.21
501	Courthouse O & M	490,338.00	463,362.76	26,975.24
502	Central Services	505,159.00	504,259.72	899.28
590	IGS	2,833,869.00	2,595,597.78	238,271.22
	Total County	30,267,917.00	28,555,368.00	1,712,549.00

Budgeted amounts are authorized to be transferred between object classes within departments; however, any revisions that alter the total expenditures of a department within the general fund or the total expenditures of the remaining funds of the county, 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 2, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$500 and an estimated useful life in excess of 10 years. Capital assets and inventory are recorded as capital expenditures when

purchased.

F. Compensated Absences

Vacation leave may be accumulated up to 36 days and is payable upon separation or retirement.

Courthouse Union, Jail Dispatchers Union & Non-Union Employees: Sick leave may be accumulated up to 960 hours. One –half (1/2) of the accumulated sick leave is payable upon termination, retirement or death employees hired prior to January 1, 1983. Employees hired between January 1, 1983 and November 7, 1988 are paid for one-half (1/2) of their unused sick leave only upon retirement or death. Upon separation or retirement, employees hired after November 7, 1988 receive no sick leave payoff.

Sheriff's Association Employees: Sick leave may be accumulated up to 960 hours. Employees hired between Jan 1, 1983 and November 7, 1988 shall be paid for ½ of unused sick leave upon death or retirement. Any regular employee who shall die while employed by the County shall be paid 100% of unused sick leave.

Any regular employee who shall retire after 10 years of continuous employment can elect to be paid 25% of unused sick leave.

County Road Union Employees: Sick leave may be accumulated up to 1,440 hours. Effective January 1, 1992, no employee will receive buy out of their accrued sick leave upon termination of employment by way of retirement or death except as provided in this section. Employees hired prior to January 1, 1992, shall be entitled to payment for fifty (50%) of the sick leave they have accrued and retained prior to January 1, 1992, and up to a maximum cash out of sixty (60) days, and zero percent (0%) of the sick leave they have accrued on or after January 1, 1992 upon termination of employment by way of retirement or death.

G. Long-Term Debt

See Note 4, *Debt Service Requirements*.

H. 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 Board of 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:

2017

Reserved Fund Balances

		End Bal	Reserved by:
001D	Employee Liability Reserve	205,799.91	Co Res R-47-2010
001G	Criminal Justice Reserve	610,565.46	Co Res R-014-2017
103	Enhanced 911/E 911 Reserve	845,939.56	State Grant Funding/ R03-09 Ordinance 3.44.20/R-17-2013
104	Integrated Health Services	1,798,824.82	Federal & State Grants/Reserve for Tuberculosis
105	Criminal Justice/CJ Sales Tax Rsv	732,673.66	RCW 10.101/10.101.70 Co Resolution R34-94
106	Emergency Services	10,259.83	State and Federal Grant Restricted Revenues
107	Veterans Relief	34,600.13	RCW 73.08.080
108	Fair	20,824.54	County Contract
109	Law Library	1,877.05	RCW 27.24.068
110	Paths & Trails	102,819.73	RCW 36.82 & 46.68
111	Regional Landfill	254,525.39	Co Res R 43-94
113	Educational Sup Prog	6,832.29	Co Res R 15-98
114	Treasurers O & M	11,675.22	RCW 82.45.180
115	County Road	5,327,501.84	Federal & State Grants
116	Auditor's O & M	39,578.23	RCW 36.22
117	Developmental Disability	16,687.58	RCW 71.20.110
119	Trial Court Improvement	22,752.53	RCW 43.08.250
120	Tourism Enhancement	4,663.34	RCW 67.28.180
122	Distressed Co/Public Facilities	907,527.13	RCW 82.14.370/Co Ordinance 3.15.050
123	Low Income Housing	234,382.15	Co Res R 54-02
130	Drug Enforcement	74,809.13	RCW 9.95.210
131	RSO Address Verification	72,934.97	Co Res R 06-12/RCW 9A.44.130
135	Crime Victims Comp	20,051.22	RCW 10.82.070
136	Domestic Viol Prevention	2,525.48	RCW 10.99.080
137	Dom Viol Assessment	8,745.90	RCW 10.99.080
166	Noxious Weed	26,416.29	Restricted Revenue/Property Assessments
	Total	11,395,793.38	

Note 2 – Deposits and Investments

It is the county's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

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

Investments are reported at original cost. Investments by type at December 31, 2017 are as follows:

Type of Investment	Investments held by Adams County as an agent for other local governments, individuals or private organizations		Total
	Adams County Own Investment		
L.G.I.P	\$14,796,129.74	\$33,467,541.50	\$48,263,671.24
U.S. Government Securities	\$1,682,646.15	\$15,537,723.03	\$17,220,369.18
Other	\$3,070,001.11	\$2,047,745.91	\$5,117,747.02
Total	\$19,548,777.00	\$51,053,010.44	\$70,601,787.44

Note 3 - 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 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 2017 was \$1.80 per \$1,000 on an assessed valuation of \$2,001,053,485 for a total regular levy of \$3,601,896.

The county road's levy rate for the year 2017 was \$1.30 per \$1,000 on an assessed valuation of \$1,350,844,696 for a total regular levy of \$1,755,944.

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 year ended December 31, 2017.

The debt service requirements for general obligation bonds and capital asset purchase are as follows:

	Principal	Interest	Total
2018	\$141,330	\$53,678	\$195,008
2019	\$146,330	\$47,803	\$194,133
2020	\$125,000	\$39,875	\$164,875
2021	\$135,000	\$33,375	\$168,375
2022	\$140,000	\$26,500	\$166,500
2023-25	\$460,000	\$39,250	\$499,250
	\$1,147,660	\$240,481	\$1,388,141

Note 5 – 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 Public Employees' Retirement System (PERS), Public Safety Employees' Retirement System (PSERS), and Law Enforcement and Fire Fighters' Retirement System (LEOFF).

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

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

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

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

At June 30, 2017, the county's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$380,830	0.063311%	\$3,004,157
PERS 2/3	\$464,588	0.076063%	\$2,642,826
PSERS 2	\$21,895	0.093842%	\$ 18,386
LEOFF 1	0	0.006110%	(\$92,702)
LEOFF 2	\$51,767	0.032770%	(\$454,741)

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 6 – Risk Management

Adams County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together for the joint

purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2017, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2017, Adams 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 2016-17, the “corridor” increased the SIR to \$2 million, with an aggregated stop loss of \$4.35 million. Other reinsurance agreements respond up to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

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

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

During 2016-17, Adams 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.

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

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

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

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

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

Note 7 - Other Disclosures

OPEB:

The County has a commitment to pay for post employment benefits for employees that belong to LEOFF 1. These benefits include medical, vision, hearing and nursing care. Four retirees received benefits during fiscal year 2017 in the amount of \$37,528.11. One of the four covered retirees passed away during 2017. The County does not have any active employees who will qualify for the LEOFF 1 benefits coverage upon their retirement.

Fund Reclassifications:

At the beginning of 2017, two county funds were reclassified:

Fund 105 – Criminal Justice

Fund 112 – Inmate Welfare

Fund 105 – the ending fund balance was transferred via equity transfer to a managerial fund of current expense 0017 (001G) Criminal Justice Reserve. County Resolution No. R-014-2017 states the ending

fund balance from the criminal justice fund #105 will be transferred into a separate sub fund of the current expense fund and used for criminal justice expenditures and programs as required by statute and approved by the board of commissioners. The annual budgeted expenditures related to criminal justice activities and the revenues received will be deposited into and paid from the current expense fund, where the criminal justice activity occurs beginning January 1, 2017.

Fund 112 – The restrictions on these revenues were decodified from Washington State Law, therefore the County reclassified this fund. The ending fund balance was transferred via equity transfer to a managerial fund of current expense 0016 (001F) Jail Operation and Improvement. County Resolution No. R-043-2016 states that the ending fund balance that has accumulated in fund #112 be used for operations and improvements of the jail facility. The revenue received monthly for the concession sales to inmates and the phone card rebates is deposited into the current expense fund, where the care and custody activity is recorded.

Funds reported in Current Expense (rolled up):

Managerial funds of the current expense fund are reported with the current expense (general) fund (rolled up). The managerial funds reported with the general fund are as follows:

0012	Current Expense Reserve
0013	GO Bond
0014	Employee Liability
0015	Juvenile Detention Alt
0016	Jail Operation and Improvement
0017	Criminal Justice Reserve
0018	Sheriff Donation Fund
132	Seized and Forfeited Property
643	Treasurer's Suspense

Non-Managerial funds included in the rollup:

Fund 132 Seized and Forfeited Property is reported with the general fund (current expense). This fund is where the cash and proceeds from seized property is deposited pending court disposition.

Fund 643 Treasurer's Suspense – This fund is a suspense fund in which the leasehold excise tax proceeds received from the State of Washington are deposited by the county treasurer until the allocation & distribution to the various county and agency funds can be completed. The county treasurer is completing the allocation & distribution of these funds.

Organizational Changes:

County Commissioner District #3 Commissioner Jeff Stevens submitted a letter of resignation on May 17, 2017, to be effective August 15, 2017. He submitted a letter rescinding that resignation on August 9, 2017. Sub sequentially, Commissioner Stevens submitted a letter of resignation on March 14, 2018, which was effective March 15, 2018 and has retired.

On April 18, 2018 Terrance J. Thompson was appointed to fill the vacancy of Adams County Commissioner of District No. 3.

Joint Ventures

Martin Hall:

In 1996, the County entered into a joint venture with nine other Washington State counties for the construction and operation of Martin Hall, a juvenile detention facility located in Medical Lake, Washington. Property was leased from the State for 50 years beginning April 19, 1996 and ending March 31, 2046.

By law, adult and juvenile inmates must be separated. Adams County had basically no such capability of providing this type of separation, so were forced to transport any juvenile to another facility in the state that provided juvenile housing. All counties involved in the consortium have representation on the Martin Hall Board. The consortium contracts with a private organization to manage Martin Hall. Anyone who uses Martin Hall beds is charged a per-bed rate, so Adams County not only shares in the bonding of the venture but also contracts for bed usage for its juveniles who are sentenced to Martin Hall by the Superior Court of Adams County. The county was bonded in 1996 for this joint venture. Stevens County, Washington manages the bond payments and can be contacted directly for their financial statements. The final payment on the bond was paid in 2016.

Other joint ventures/significant contracts:

Adams County Integrated Health contracts with many agencies to provide services:

Mental Health & Substance Use Disorder's funding is through a Spokane Behavioral Health Organization (SCRBHO) agreement. The Health Care Authority flows Behavioral Health dollars through the Behavioral Health Organizations around the State. Our Behavioral Health Organization is Spokane. Funding for Mental Health and Substance Use Disorders is thru the BHO partnership agreement, local millage dollars, and private client fees.

Public Health receives funding thru DOH (Washington Department of Health), local taxes and client fees. We have a partnership with Washington Department of Health for Public Health Services.

Developmental Disability receives funding thru the States Disabilities program and private sales. We partner with Washington State Developmental Disabilities.

Prevention Program IHCS partners with DBHR (Washington Division of Behavioral Health and Recovery) for funding.

Pending Claims – Adams County

Kerr, Marvin L, Sr.

Claim for Damages received 2/5/2016, of false arrest, excessive force, and emotional distress with a demand for compensation in the amount of \$500,000;

Occurrence Date: 3/10/2014 & 3/11/2014

Attorney Thomas R. Luciani, Bohrsen, Stocker, Smith, Luciani, PLLC, Spokane, Washington for Defendants;

Total Adams County exposure on this claim is \$10,000 deductible; and,
County deductible has paid \$939.88

Cantu, Gilberto

Claim for Damages received on 4/13/2016, excessive force, pain and suffering, emotional injuries with a demand of \$1,500,000;

Occurrence Date: 4/4/2015

Attorney Thomas R. Luciani, Bohrsen, Stocker, Smith, Luciani, PLLC, Spokane, Washington for Defendants;

Total Adams County exposure on this claim is \$10,000 deductible; and, County deductible has paid \$2,827.32.

Note 8 - Fiduciary Activities

Washington State law requires counties to act as a fiscal agent on behalf of special purpose districts. The resources collected and held for these districts in a custodial capacity were previously omitted from the financial statements. Starting in fiscal year 2017, counties are required to report the custodial amounts on their financial statements. This requirement resulted in addition of \$53,481,058 in custodial deposits reported in the statement of *Fiduciary Fund Resources and Uses Arising from Cash Transactions* for the year ended December 31, 2017. In addition, these amounts are now required to be presented by fund type rather than by individual fund.

Adams County
Schedule of Liabilities
For the Year Ended December 31, 2017

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	GO Bond Non Voted	6/1/2025	1,205,000	-	110,000	1,095,000
263.51	Ballot Tabulator Purchase	5/15/2019	-	77,837	25,177	52,660
	Total General Obligation Debt/Liabilities:		1,205,000	77,837	135,177	1,147,660
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		602,734	46,040	-	648,774
264.30	Pension Liabilities		7,471,494	-	1,806,125	5,665,369
	Total Revenue and Other (non G.O.) Debt/Liabilities:		8,074,228	46,040	1,806,125	6,314,143
	Total Liabilities:		9,279,228	123,877	1,941,302	7,461,804

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
Food And Nutrition Service, Department Of Agriculture (via Washington Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C-17100	72,053	-	72,053	1,2
Food And Nutrition Service, Department Of Agriculture (via Washington Department of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C-17100	345	-	345	1,2
Violence Against Women Office, Department Of Justice (via Washington State Department of Social and Health Services)	Violence Against Women Formula Grants	16.588	F17-311303-039	15,416	-	15,416	1,2,4
Bureau Of Justice Assistance, Department Of Justice	Bulletproof Vest Partnership Program	16.607	331.16.60.01	-	1,829	1,829	1,2
US Department of Justice/Office of Justice Programs (via Washington State Patrol)	Domestic Cannabis Eradication/Suppression (DCE/SP)	16.UNKN OWN	2017-125	18,745	-	18,745	1,2
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 8023/McMan Bridge #400-3	16,393	-	16,393	1,2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA 8570/Johnson Rd #1	1,085	-	1,085	1,2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-8700/Lee Road Safety Project	5,170	-	5,170	1,2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA 8832/Safety Data Collection & Analysis	111,421	-	111,421	1,2

Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9024/Taylor Rd Urban Overlay Project #1	176,642	-	176,642	-	1,2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9025/Taylor Rd Urban Overlay Project #2	204,440	-	204,440	-	1,2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9018/Danekas Rd Overlay Project #1	665,190	-	665,190	-	1,2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9019/Schoessler Rd Overlay Project #1	247,497	-	247,497	-	1,2
Total Highway Planning and Construction Cluster:				1,427,838	-	1,427,838	-	
Highway Safety Cluster								
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington State Department of Transportation)	State and Community Highway Safety	20.600	333.20.60.00	2,018	-	2,018	-	1,2
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via State of Washington Traffic Safety Commission)	Safety Belt Performance Grants	20.609	n/a	1,289	-	1,289	-	1,2
Total Highway Safety Cluster:				3,308	-	3,308	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington Department of Health)	Public Health Emergency Preparedness	93.069	C-17100	20,402	-	20,402	-	1,2
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Division of Alcohol Substance Abuse)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1563-42465	25,857	-	25,857	-	1,2
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Division of Alcohol Substance Abuse)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1563-42465	4,342	-	4,342	-	1,2

Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Division of Alcohol Substance Abuse)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1763-94235	34,110	-	34,110	-	1,2
			Total CFDA 93.243:	64,310	-	64,310	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington Department of Health)	Immunization Cooperative Agreements	93.268	C17100	4,887	-	4,887	-	1,2
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington Health Care Authority)	Immunization Cooperative Agreements	93.268	n/a	33,324	-	33,324	-	3
			Total CFDA 93.268:	38,211	-	38,211	-	
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Social and Health Services)	Child Support Enforcement	93.563	75-1501-0-1-609	152,940	-	152,940	-	1,2,4
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Social and Health Services)	Child Support Enforcement	93.563	2110-80335	11,642	-	11,642	-	1,2,4
			Total CFDA 93.563:	164,582	-	164,582	-	
Medicaid Cluster								
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Washington Health Care Authority)	Medical Assistance Program	93.778	K751	12,310	-	12,310	-	1,2
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Washington Health Care Authority)	Medical Assistance Program	93.778	K1393	11,010	-	11,010	-	1,2,4
			Total Medicaid Cluster:	23,320	-	23,320	-	
Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Division of Alcohol Substance Abuse)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1563-42465	18,638	-	18,638	-	1,2

Substance Abuse And Mental Health Services Administration, Department Of Health And Human Services (via Division of Alcohol Substance Abuse)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1763-94235	10,358	-	10,358	-	1,2
			Total CFDA 93.959:	28,996	-	28,996	-	
Health Resources And Services Administration, Department Of Health And Human Services (via Washington Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C-17100	39,737	-	39,737	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via United States Department of Homeland Security)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D17-111/4309-DR-WA Small Project PW#109 EEAC01C	75,904	-	75,904	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via United States Department of Homeland Security)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D17-111/4309-DR-WA Small Project PW#61 EEAC02C	36,711	-	36,711	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via United States Department of Homeland Security)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D17-111/4309-DR-WA Large Project PW#182 EEAC03C	84,474	-	84,474	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via United States Department of Homeland Security)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D17-111/4309-DR-WA Small Project PW#102 EEAC04C	27,898	-	27,898	-	1,2
			Total CFDA 97.036:	224,987	-	224,987	-	
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Emergency Management Performance Grants	97.042	E17-162	15,543	-	15,543	-	1,2
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Emergency Management Performance Grants	97.042	E18-089	3,295	-	3,295	-	1,2
			Total CFDA 97.042:	18,838	-	18,838	-	

Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Homeland Security Grant Program	97.067	GSEM-1511/E16-076	8,384	-	8,384	-	1,2
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military Department)	Homeland Security Grant Program	97.067	GSEM-082/E17-082	8,708	-	8,708	-	1,2
Total CFDA 97.067:				<u>17,093</u>	<u>-</u>	<u>17,093</u>	<u>-</u>	
Total Federal Awards Expended:				<u>2,178,180</u>	<u>1,829</u>	<u>2,180,009</u>	<u>-</u>	

Adams County
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

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 – Noncash Awards – Vaccinations

The amount of vaccine reported on the schedule is the value of vaccine received by the county during current year and priced as prescribed by Dr. Timothy Moody

Note 4 – Indirect Cost Rate

The county has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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