



Office of the Washington State Auditor
Pat McCarthy

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

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

Published September 24, 2018

Report No. 1022253





Office of the Washington State Auditor

Pat McCarthy

September 24, 2018

Board of Commissioners
Whitman County
Colfax, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

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

Pat McCarthy
State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Whitman County January 1, 2017 through December 31, 2017

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

We issued an unmodified opinion on the fair presentation of the County’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation 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**

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

Board of Commissioners
Whitman County
Colfax, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Whitman County, 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 September 17, 2018. As discussed in Note 9 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.

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 cursive script that reads "Pat McCarthy".

Pat McCarthy

State Auditor

Olympia, WA

September 17, 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**

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

Board of Commissioners
Whitman County
Colfax, Washington

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

We have audited the compliance of Whitman County, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized initial "P".

Pat McCarthy

State Auditor

Olympia, WA

September 17, 2018

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Whitman County January 1, 2017 through December 31, 2017

Board of Commissioners
Whitman County
Colfax, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Whitman County, for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 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, Whitman County has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Whitman County, for the year ended December 31, 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 Whitman County, as of December 31, 2017, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

Matters of Emphasis

As discussed in Note 9 to the financial statements, in 2017, the County adopted new accounting guidance for presentation and disclosure of amounts collected and held for special purpose districts in fiduciary funds, as required by the BARS manual. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Pat McCarthy
State Auditor
Olympia, WA

September 17, 2018

FINANCIAL SECTION

Whitman 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

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

		Total for All Funds (Memo Only)	001 General	102 Building & Development	103 Countywide Planning
Beginning Cash and Investments					
30810	Reserved	3,146,541	1,119,029	-	-
30880	Unreserved	27,307,919	5,675,069	148,293	51,529
388 / 588	Prior Period Adjustments, Net	60,020	54,268	-	-
Revenues					
310	Taxes	13,578,167	9,344,744	-	-
320	Licenses and Permits	259,265	153,784	104,797	-
330	Intergovernmental Revenues	9,649,220	2,356,205	-	132,161
340	Charges for Goods and Services	10,245,960	1,574,933	-	25,189
350	Fines and Penalties	1,139,155	1,131,290	250	-
360	Miscellaneous Revenues	651,918	600,093	9	-
Total Revenues:		35,523,685	15,161,049	105,056	157,350
Expenditures					
510	General Government	6,373,274	5,803,884	-	-
520	Public Safety	5,923,981	5,291,001	-	-
530	Utilities	2,662,369	-	-	-
540	Transportation	10,071,094	-	-	-
550	Natural and Economic Environment	783,363	174,487	135,659	296,489
560	Social Services	1,746,177	952,917	-	-
570	Culture and Recreation	709,557	653,299	-	-
Total Expenditures:		28,269,815	12,875,588	135,659	296,489
Excess (Deficiency) Revenues over Expenditures:		7,253,870	2,285,461	(30,603)	(139,139)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,429,850	460,596	-	150,000
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	115,701	70,000	-	-
381, 395, 398	Other Resources	697,008	757	-	-
Total Other Increases in Fund Resources:		2,242,559	531,353	-	150,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	6,902,325	31,462	-	-
591-593, 599	Debt Service	408,334	811	-	-
597	Transfers-Out	1,429,850	475,041	-	2,866
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	29,188	27,628	-	-
581	Other Uses	586,079	86,079	-	-
Total Other Decreases in Fund Resources:		9,355,775	621,020	-	2,866
Increase (Decrease) in Cash and Investments:		140,654	2,195,794	(30,603)	7,995
Ending Cash and Investments					
5081000	Reserved	3,170,965	1,169,029	-	-
5088000	Unreserved	27,484,168	7,875,130	117,690	59,524
Total Ending Cash and Investments		30,655,134	9,044,159	117,690	59,524

The accompanying notes are an integral part of this statement.

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

		104	108 Veteran's	109 Homeless	110 County
		Developmental	Relief	Housing Plan	Road-PW
		Services			
Beginning Cash and Investments					
30810	Reserved	71,136	-	-	-
30880	Unreserved	207,039	76,846	261,339	5,628,022
388 / 588	Prior Period Adjustments, Net	-	-	-	6,685
Revenues					
310	Taxes	49,796	44,810	-	2,475,193
320	Licenses and Permits	-	-	-	685
330	Intergovernmental Revenues	-	-	-	6,440,068
340	Charges for Goods and Services	521,652	-	143,358	180,043
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	623	-	-	6,977
Total Revenues:		572,071	44,810	143,358	9,102,966
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	18,386
530	Utilities	-	-	-	-
540	Transportation	-	-	-	7,271,461
550	Natural and Economic Environment	-	-	-	-
560	Social Services	540,003	16,010	237,246	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		540,003	16,010	237,246	7,289,848
Excess (Deficiency) Revenues over Expenditures:		32,068	28,800	(93,888)	1,813,119
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	-	-	-	13,241
Total Other Increases in Fund Resources:		-	-	-	13,241
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	2,495,764
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	190,408
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	2,686,172
Increase (Decrease) in Cash and Investments:		32,068	28,800	(93,888)	(859,812)
Ending Cash and Investments					
5081000	Reserved	71,136	-	-	-
5088000	Unreserved	239,107	105,646	167,452	4,774,895
Total Ending Cash and Investments		310,243	105,646	167,452	4,774,895

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

		112 Public Facilities Improvement	115 Hotel/Motel Tax	116 Domestic Violence Services	117 Boating Safety
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	3,581,359	40,062	498	54,936
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	746,491	3,760	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	27,633
340	Charges for Goods and Services	-	-	479	37,411
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	492
Total Revenues:		746,491	3,760	479	65,536
Expenditures					
510	General Government	-	-	498	-
520	Public Safety	-	-	-	62,611
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	151,000	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		151,000	-	498	62,611
Excess (Deficiency) Revenues over Expenditures:		595,491	3,760	(19)	2,925
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	-	22,000	-	-
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:		-	22,000	-	-
Increase (Decrease) in Cash and Investments:		595,491	(18,240)	(19)	2,925
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	4,176,850	21,823	479	57,862
Total Ending Cash and Investments		4,176,850	21,823	479	57,862

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

		<u>120 Historical Preservation</u>	<u>123 Paths & Trails</u>	<u>124 REET Technology</u>	<u>126 Treasurer M&O</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	37,922	148,705	148,000	105,227
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	18,753	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	21,984	11,636	-
340	Charges for Goods and Services	5,675	30,100	6,940	35,740
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	105
Total Revenues:		<u>5,675</u>	<u>52,084</u>	<u>37,329</u>	<u>35,845</u>
Expenditures					
510	General Government	-	-	-	6,149
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	56,258	-	-
Total Expenditures:		<u>-</u>	<u>56,258</u>	<u>-</u>	<u>6,149</u>
Excess (Deficiency) Revenues over Expenditures:		5,675	(4,174)	37,329	29,696
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	7,500	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	45,701
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>7,500</u>	<u>-</u>	<u>45,701</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	1,560
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,560</u>
Increase (Decrease) in Cash and Investments:		<u>5,675</u>	<u>3,326</u>	<u>37,329</u>	<u>73,837</u>
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	43,597	152,031	185,329	179,064
Total Ending Cash and Investments		<u>43,597</u>	<u>152,031</u>	<u>185,329</u>	<u>179,064</u>

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

		<u>127 Quad-City Task Force</u>	<u>128 Crime Victims/Witness</u>	<u>132 Auditor Document Preservation</u>	<u>134 Election Reserve</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	222,877	275,489	137,914	64,325
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	117,704	45,065	55,189	-
340	Charges for Goods and Services	1,500	38,172	16,762	17,739
350	Fines and Penalties	7,615	-	-	-
360	Miscellaneous Revenues	14,956	-	-	-
Total Revenues:		<u>141,775</u>	<u>83,237</u>	<u>71,951</u>	<u>17,739</u>
Expenditures					
510	General Government	-	84,864	59,991	-
520	Public Safety	114,647	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>114,647</u>	<u>84,864</u>	<u>59,991</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		27,128	(1,627)	11,960	17,739
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:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	7,465	-	-	78,028
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	19,879	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>27,344</u>	<u>-</u>	<u>-</u>	<u>78,028</u>
Increase (Decrease) in Cash and Investments:		(216)	(1,627)	11,960	(60,289)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	222,661	273,862	149,875	4,036
Total Ending Cash and Investments		222,661	273,862	149,875	4,036

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

		135 Prosecutor STOP Grant	136 Public Defense Improvement	141 SHB 2060	143 Trial Court Improvement
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	9,926	298,815	7,967	113,840
388 / 588	Prior Period Adjustments, Net	-	(86,583)	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	18,651	-	-	23,449
340	Charges for Goods and Services	-	1,235	27,878	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		18,651	1,235	27,878	23,449
Expenditures					
510	General Government	16,119	-	-	3,199
520	Public Safety	4,270	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	25,728	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		20,389	-	25,728	3,199
Excess (Deficiency) Revenues over Expenditures:		(1,738)	1,235	2,150	20,250
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	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	-
Increase (Decrease) in Cash and Investments:		(1,738)	1,235	2,150	20,250
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	8,189	213,467	10,117	134,090
Total Ending Cash and Investments		8,189	213,467	10,117	134,090

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

		<u>144 Emergency Communication</u>	<u>200 Debt Service</u>	<u>300 Capital Projects</u>	<u>400 Solid Waste -PW</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	1,714,492
30880	Unreserved	473,502	4,739	3,478,128	2,314,342
388 / 588	Prior Period Adjustments, Net	-	-	-	85,649
Revenues					
310	Taxes	822,094	-	72,525	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	285,000	114,475
340	Charges for Goods and Services	-	-	-	3,258,850
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,176	41	151	18,939
Total Revenues:		<u>824,271</u>	<u>41</u>	<u>357,676</u>	<u>3,392,264</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	433,066	-	-	-
530	Utilities	-	-	-	2,662,369
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>433,066</u>	<u>-</u>	<u>-</u>	<u>2,662,369</u>
Excess (Deficiency) Revenues over Expenditures:		391,204	41	357,676	729,895
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	166,891	404,231	240,632
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	500,000	-	-	86,079
Total Other Increases in Fund Resources:		<u>500,000</u>	<u>166,891</u>	<u>404,231</u>	<u>326,711</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	608,398	-	1,865,712	539,162
591-593, 599	Debt Service	-	166,891	-	240,632
597	Transfers-Out	-	-	253,781	315,288
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	500,000	-
Total Other Decreases in Fund Resources:		<u>608,398</u>	<u>166,891</u>	<u>2,619,492</u>	<u>1,095,082</u>
Increase (Decrease) in Cash and Investments:		<u>282,806</u>	<u>41</u>	<u>(1,857,585)</u>	<u>(38,476)</u>
Ending Cash and Investments					
5081000	Reserved	-	-	-	1,706,360
5088000	Unreserved	756,308	4,780	1,620,542	2,369,648
Total Ending Cash and Investments		<u>756,308</u>	<u>4,780</u>	<u>1,620,542</u>	<u>4,076,007</u>

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

	501 Equipment Rental/Revolvin g-PW	511 Unemployment Insurance	515 Information Technology Operations
Beginning Cash and Investments			
30810	Reserved	-	241,884
30880	Unreserved	3,007,898	-
388 / 588	Prior Period Adjustments, Net	-	733,307
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	4,322,304	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	7,355	-
Total Revenues:		4,329,659	-
Expenditures			
510	General Government	-	17,443
520	Public Safety	-	381,126
530	Utilities	-	-
540	Transportation	2,799,633	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		2,799,633	17,443
Excess (Deficiency) Revenues over Expenditures:		1,530,026	(17,443)
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	96,932	-
Total Other Increases in Fund Resources:		96,932	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	1,147,395	-
591-593, 599	Debt Service	-	106,939
597	Transfers-Out	172,587	-
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	-
581	Other Uses	-	-
Total Other Decreases in Fund Resources:		1,319,982	-
Increase (Decrease) in Cash and Investments:		306,976	(17,443)
Ending Cash and Investments			
5081000	Reserved	-	224,441
5088000	Unreserved	3,314,874	-
Total Ending Cash and Investments		3,314,874	245,242

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

		Total for All Funds (Memo Only)	Agency
308	Beginning Cash and Investments	75,478,950	75,478,950
388 & 588	Prior Period Adjustment, Net	24,153	24,153
310-390	Additions	216,564,514	216,564,514
510-590	Deductions	218,825,173	218,825,173
	Net Increase (Decrease) in Cash and Investments:	(2,260,659)	(2,260,662)
508	Ending Cash and Investments	73,242,444	73,242,444

The accompanying notes are an integral part of this statement.

Whitman County
Notes to the Financial Statements
For the year ended 12/31/2017

Note 1 - Summary of Significant Accounting Policies

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

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

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

A. Fund Accounting

Financial transactions of the County are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The County's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all

financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

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

FIDUCIARY FUND TYPES:

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

Agency Funds

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

B. Basis of Accounting and Measurement Focus

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

C. Budgets

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

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. The funds in the chart below that are marked by an * are non-restricted special revenue and debt services funds which have been rolled into the County's Current Expense/General Fund, an ** are reserved funds which have been rolled into the County's 400 Solid Waste Fund as a whole, and an *** is a non-restricted Capital Project fund rolled into the 300 Capital Projects Fund as a whole. All three are explained further in Note 8I.

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

Fund/Department	Final Appropriated	Actual Expenditures	Variance
001 Current Expense/General Fund			
009 Commissioners-Department	359,886	351,697	8,189
010 General Government	3,982,316	2,897,576	1,084,740
012 Administrative Services	197,664	173,755	23,909
013 Human Resources	214,813	183,955	30,858
020 Superior Court	183,557	179,308	4,249
030 District Court	767,844	737,873	29,971
040 Clerk	253,985	239,734	14,251
050 Treasurer	379,634	367,213	12,421
060 Auditor	825,531	767,062	58,469
080 Assessor	428,695	401,599	27,096
100 Prosecuting Attorney	634,526	623,538	10,988
105 Child Support Enforcement	135,000	97,316	37,684
120 Facilities Management	750,422	545,801	204,621
140 Sheriff	3,723,155	3,346,858	376,297
170 Juvenile Services	612,815	580,483	32,332

200 Weed Control	100,429	96,198	4,231
220 Coroner	184,464	167,389	17,075
240 County Extension	122,783	117,635	5,148
260 Emergency Management	233,109	186,374	46,735
280 Public Health	828,041	733,480	94,561
300 Fair	308,388	302,214	6,174
310 Parks & Recreation	246,243	235,655	10,588
320 Information Technology	220,453	217,768	2,685
Total Current Expense/General Fund:	15,693,753	13,550,481	2,143,272
*101 Self Insurance	25,000	13,018	11,982
102 Building And Development	256,245	135,659	120,586
103 Countywide Planning	366,265	299,355	66,910
104 Developmental Services	905,324	540,004	365,320
*106 Extension Publications	200	92	108
108 Veterans Relief	85,600	16,011	69,589
109 Homeless Housing Plan	350,000	237,246	112,754
110 County Road-PW	19,464,499	9,980,302	9,484,197
112 Public Facilities Improvement	4,006,556	3,567,359	439,197
115 Hotel/Motel Tax	42,352	22,000	20,352
116 Domestic Violence Services	6,406	977	5,429
117 Boating Safety	106,600	62,611	43,989
*118 Inmate Welfare	34,000	30,242	3,758
120 Historical Preservation/Programs	42,725	-	42,725
*122 Sheriff K-9 Unit	12,500	7,178	5,322
123 Paths & Trails	215,276	56,258	159,018

*125 Donations & Planned Giving	345,779	9,052	336,727
126 Treasurer Maintenance and Operations	14,522	7,709	6,813
127 Quad-City Task Force-Drug Enforcement	398,700	141,991	256,709
128 Crime Victims/Witness	120,183	84,864	35,319
*130 Inter-Local Drug Fund	17,500	-	17,500
132 Auditors Document Preservation Fund	180,900	59,991	120,909
*133 Commissioners Special Revenue	300,000	79,083	220,917
134 Elections Reserve	87,154	78,055	9,099
135 Prosecutor STOP Grant	26,119	20,389	5,730
136 District Court Funds	47,250	-	47,250
*137 Web Site Development	608	608	-
*138 Federal Equitable Sharing	250,500	10,200	240,300
141 Washington Housing SHB 2060	30,000	25,728	4,272
143 Trial Court Improvement	130,523	3,199	127,324
144 Emergency Communication System	1,708,502	1,041,465	667,037
200 Debt Service-External	171,692	166,891	4,801
*210 Debt Service-County-Inside	172,540	172,539	1
300 Capital Projects	4,046,392	2,619,492	1,426,900
***320 Capital Projects-Outside Sources	129,794		129,794
400 Solid Waste-PW	6,268,000	3,733,380	2,534,620
**410 Solid Waste Reserve	1,688,500	107,803	1,580,697
501 Equipment Rental & Revolving	6,573,650	4,161,574	2,412,076
511 Unemployment Insurance Revolving	215,000	17,443	197,557
515 Information Technology Operation	1,323,110	566,475	756,635

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

legislative body.

D. Cash and Investments

See Note 2, *Deposits and Investments*.

E. Capital Assets

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

F. Compensated Absences

Vacation leave may be accumulated up to 216 hours (27 days) for most employees or 240 hours (30 days) for employees with 20 years of continuous service to the County and is payable upon separation or retirement. Sick leave may be accumulated up to 960 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

G. Long-Term Debt

See Note 5, *Debt Service Requirements*.

H. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are 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 through a resolution. When expenditures that meet restrictions are incurred, the County intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of:

<u>Fund</u>	<u>Amount (\$)</u>	<u>Description</u>
001.000.000	1,169,029	Commissioners Designated reserve
104.340.000	71,136	Developmental Services Reserve
410.400.000	1,706,360	Restricted for landfill closure & post closure costs
511.012.000	224,441	Unemployment insurance
690.007.000	430	Liberty Bell Trust Monies
690.140.000	6,301	Detainee Trust/Sheriff

690.140.001	8,024	Inmate Trust/Sheriff
690.300.001	3,923	Fair Suspense - Ernie Dippel Memorial
690.300.002	3,841	Fair Suspense - Zaidee Parvin Memorial
690.300.005	139	Fair Suspense - Building Fund

Note 2 – Deposits and Investments

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

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

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

Type of Investment	County's Own Investments	Investments held by County as an agent for other local governments, individuals or private organizations	Total
L.G.I.P.	19,085,105	64,793,336	83,878,441
Municipal Investment	5,669,359	4,919,677	10,589,036
Bank Investment Program	4,763,826	2,852,419	7,616,245
	29,518,290	72,565,432	102,083,722

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 after the end of each month. A second distribution was done mid-month in April 2017, but the Treasurer’s Office no longer prepares a second distribution.

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 \$1.507584 per \$1,000 on an assessed valuation of \$3,943,499,379 for a total regular levy of \$5,945,155.

Whitman County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general

government services. The County’s road levy for 2017 was \$1.411256 per \$1,000 on an assessed valuation of \$1,734,709,194 for a total road levy of \$2,448,118.

The County chose not to divert road levy monies as authorized by RCW 84.52.043(1)(d).

Note 4 - Interfund Loans

The following table displays interfund loan activity during 2017:

BORROWING FUND	LENDING FUND	BALANCE 1/1/17	NEW LOANS	REPAYMENT	BALANCE 12/31/17
Current Expense	Solid Waste	345,610		86,079	259,531
Tekoa Park & Rec District #6	Current Expense	70,000		70,000	0
Emergency Communications	Capital Projects	0	500,000	0	500,000
TOTAL		415,610	500,000	156,079	759,531

Note 5 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the County and summarizes the County’s debt transactions for the year ended December 31, 2017.

The debt service requirements for general obligation bonds and revenue bonds are as follows:

	Principal	Interest	Total Debt
2018	\$304,220	\$103,303	\$407,523
2019	\$315,002	\$92,521	\$407,523
2020	\$326,168	\$81,355	\$407,523
2021	\$337,731	\$69,792	\$407,523
2022	\$349,705	\$57,818	\$407,523
2023-2027	\$917,092	\$157,996	\$1,075,088
2028-2031	\$547,930	\$36,189	\$584,119
TOTALS	\$3,097,848	\$598,974	\$3,696,822

Note 6 – Pension Plans

A. State Sponsored Pension Plans

Substantially all County full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS 1, 2, 3; Public Safety ERS 2; LEOFF 1 and 2.

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

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

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

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

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

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

	Allocation %	Liability (Asset) (\$)
PERS 1	0.002114%	100,311
PERS 1 UAAL	0.065228%	3,095,119
PERS 2 and 3	0.080019%	2,780,278
Public Safety ERS 2	0.110015%	21,555
LEOFF 1	0.005706%	(86,573)
LEOFF 2	0.040823%	(566,491)

LEOFF Plan 1

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

LEOFF Plan 2

The County also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board.

This special funding situation is not mandated by the state constitution and could be changed by statute.

Note 7 – Risk Management

Whitman County is a member of Washington Rural Counties Insurance Program (WRCIP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, 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 program was formed on September 1, 1998, when three counties in the state of Washington joined together by signing an Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2017, there are eight counties in the program.

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

The program acquires insurance through their administrator, Clear Risk Solutions. Liability coverage is purchased to an aggregate limit of \$45,000,000 with a self-insured retention (SIR) of \$50,000. Members are responsible for a \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the \$50,000 self-insured retention. Since the program is a cooperative program, there is a joint liability among the participating members toward the sharing of the \$50,000 self-insured retention, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$524,793.**

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

Privacy and Network Liability coverage is offered with a \$10,000 member deductible and \$40,000 self-insured retention for systems using encryption and \$50,000 member deductible and \$50,000 self-insured retention for those without encryption.

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

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

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

The program is funded by its member participants and has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, claims adjustment, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the policy year ending December 1, 2017, were \$511,199.05.

WRCIP's financial statements may be obtained by contacting them at:
Washington Rural Counties Insurance Fund
451 Diamond Drive
Ephrata, WA 98823
info@wrcip.us
509.754.2027

The County is self-insured for unemployment compensation benefits. In 2017 there were seven claims amounting to a total of \$17,443. At the end of the fiscal year, a total of \$224,441 remain in the unemployment self-insurance fund.

Note 8 - Other Disclosures

A. Joint Ventures

The Board of County Commissioners are appointed to boards and committees where, in part, they can be responsible for fiscal decisions made for those entities.

1. *Aging and Long Term Care of Eastern Washington (ALTCEW)* is mandated to assist seniors in finding the services they need to remain independent and safe in their homes for as long as possible, serving Whitman, Spokane, Ferry, Stevens And Pend Oreille Counties. The County pays annual dues, and in 2017 the dues totaled \$4,067.
2. *Eastern Washington Council of Governments* – The Eastern Washington Council of Governments is organized under the RCW 36.64.080-Joint governmental activities act. The member counties meet to discuss issues affecting counties in Eastern Washington State. Members may request topics of interest be put on the agenda at the next meeting and speakers from different governmental organizations and the private sector are welcome. In order for EWCOG to take a position on an issue, all member counties must pass a resolution at their regular board of county commissioners meeting.
3. *Greater Columbia Behavioral Health Regional Support Network (GCBH)* - GCBH manages a network of Behavioral Health agencies located in Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Klickitat, Walla Walla, Whitman and Yakima counties.

GCBH operates through an Interlocal Agreement with these 10 counties to provide services through contracts with the State of Washington.

GCBH ensures behavioral health services are available to enrollees through its provider network and works collaboratively with system stakeholders. GCBH envisions a community that encourages recovery, cultural competency, clinical excellence and access to services.

4. *Martin Hall Juvenile Facilities Consortium* - The County is a member of a nine-member consortium of counties which, through a 1996 interlocal agreement, committed to jointly renovate, operate and maintain the Martin Hall Juvenile facility located near Medical Lake, Washington. This agreement has an initial term of fifty years with an automatic renewal for another fifty years upon exercise of an option to renew the Ground Lease from the State of Washington. Community, Counseling and Correctional Services Inc. of Butte, Montana contracts with the consortium to manage the facility in accordance with all legal requirements.

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

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

Each participating county has a voting and alternate member of the Martin Hall Board. These individuals are selected from and empowered to act on behalf of the Board of County Commissioners of each member county.

5. *Palouse Basin Aquifer Committee (PBAC)* – The mission of PBAC is to ensure a long-term, quality water supply for the Palouse Basin region. They maintain water level monitoring devices throughout the area and fund various research projects to understand water movement and needs, as well as possible alternatives to groundwater pumping. Their plan includes public education and awareness, monitoring and analysis of water levels and usage, the exploration of supplemental sources of water, and review and recommendation of best practices with regard to water use and environmental impact.
6. *Palouse Empire Fair Board (PEFB)* –The responsibilities of the Palouse Empire Fair Board is to advise and assist the Whitman County Fair Manager and Whitman County Board of County Commissioners in managing the county owned fair facilities to accomplish the mission and goals of the Palouse Empire Fair and utilization of fair facilities.

These responsibilities include: scheduling of the facilities for year around events at the Palouse Empire Fairgrounds, conduct and promote the annual Palouse Empire Fair, maintain and improve the amenities of the facilities located at the Palouse Empire Fairgrounds, expanding capabilities of the facility through modernization and infrastructure refurbishing, cultivating citizen participation through the development of a positive volunteer program, defining the Fairgrounds as a regional resource, showcasing the agricultural heritage of the area and augmenting services available to the tourism industry of the area.

7. *Palouse Rural Transportation Planning Organization (PRTPO)* – PRTPO is Washington State’s regional transportation planning organization (RCW 47.80) overseeing and assisting various local and regional transportation planning efforts throughout the southeast corner of the State. The Palouse RTPO serve four counties; Asotin, Columbia, Garfield, and Whitman in the legislative district of 5th and 16th. Whitman County joined in 2003. The agency is funded and regulated by the Washington State legislatures and Department of Transportation (WSDOT), and also serves as a regional transportation planning council for four counties.

They work closely with four county elected officials, public works offices, local cities and towns, other local government and nonprofit agencies, public transit agencies, ports, the public, WSDOT and the Lewis-Clark Valley Metropolitan Planning Organization to deliver comprehensive transportation planning and policy services for the region.

8. *Snake River Salmon Recovery Board (SRSRB)* – The SRSRB convened in 2002 for the purpose of developing a locally supported, technically sound plan to recover salmon that has been adopted by the State of Washington and Federal Government. The SRSRB is represented by each of the five counties in Southeast Washington and the Confederated Tribes of the Umatilla Indian Reservation. They advise, recommend, and approve funding for habitat projects, monitoring programs and administrative functions necessary to implement the salmon recovery plan.
9. *Southeast Washington Economics Development Association (SEWEDA)* - SEWEDA is dedicated to developing entrepreneurs, businesses, and industries within our region of Asotin, Columbia, Garfield, and Whitman Counties of Washington. SEWEDA connects businesses with Federal, State, Regional and Local resources to promote economic vitality by creating and retaining jobs through business, tourism, and community development while preserving the culture, environment, unparalleled quality of life and civic interests Asotin, Columbia, Garfield, and Whitman Counties residents.
10. *State Council on Aging (SCOA)* – The State Council on Aging was established under RCW 43.20A.680 as an advisory council to the Governor, the Secretary of Social and Health Services, and the designated State Unit on Aging. The State Council on Aging may be designated by the Governor to serve as the State Advisory Council to the State Unit on Aging with respect to federally funded programs as required by federal regulation. The State Council on Aging has the following powers and duties: To serve in an advisory capacity to the Governor, the Secretary of Social and Health Services, and

the State Unit on Aging on all matters pertaining to policies, programs, and services affecting older persons; to create public awareness of the special needs and potentialities of older persons; to provide for self-advocacy by older citizens of the state through sponsorship of training, legislative and other conferences, workshops, and such other methods as may be deemed appropriate; and to establish bylaws to aid in the performance of its powers and duties.

11. *Voluntary Stewardship Program (VSP)* - Washington State's Voluntary Stewardship Program provides an alternative approach for counties to address our state's Growth Management Act requirements. The program uses a watershed-based, incentive-based process to protect critical areas, promote viable agriculture, and encourage cooperation among diverse stakeholders.
12. *Washington Counties Insurance Fund (WCIF)* – Washington Counties Insurance Fund (WCIF) is a public sector non-profit multiple employer health and welfare trust located in Tumwater, WA. WCIF was formed to pool the cost of employee benefits for counties, taxing districts, and special purpose districts throughout the state. The purpose of the WCIF board is to administer these programs for the benefit of its members.
13. *Washington Rural Counties Insurance Pool (WRCIP)* – Refer to Note 7 of this document.
14. *Whitcom Executive Committee/Finance Committee* - Whitcom is the consolidated E-911 dispatch center for Whitman County, City of Pullman, Washington State University, City of Moscow, ID, and Asotin County, WA. The County has an appointed Commissioner member on the board of Whitcom. The County also pays contracted cost for services, \$218,940 in 2017 as well as facilitating pass-through state grants of \$745,524.
15. *Workforce Development Council/Eastern Washington Partnership* - Eastern Washington Partnership (EWP) Workforce Development Council (WDC) is a 19-member volunteer board of directors, a majority of whom are from the private sector. The board designs and administers a workforce development system to meet the needs of employers, workers, job seekers, and youth in the Counties of Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Stevens, Walla Walla, and Whitman under the Workforce Innovation and Opportunity Act of 2014.

Working with EWP WDC are service providers—area agencies that provide employment and training services for employers and job seekers. Federal funding funneled through the Washington State Employment Security Department is distributed to the WDC and contracted out to different service providers. Once contracts are awarded, they are tracked and monitored by WDC staff to ensure that program goals and objectives are being met.

16. *Washington State Association of Counties (WSAC) Legislative Steering Committee (LSC)* – The LSC is composed of one member from each of WSAC’s member counties as well as each of the four County Executives. LSC members have frequent interaction, particularly during the state’s legislative session with legislators, agency staff, and representatives of other organizations. In addition to setting the policy direction for the association through the Legislative Agenda, LSC members are expected to attend regular meetings during legislative session and to communicate with legislators regarding WSAC’s legislative priorities.

B. Post-Employment Benefits Other Than Pension Benefit

In addition to the pension benefits described in Note 6, the County provides post-employment health care benefits, in accordance with Revised Code of Washington (RCW) 41.26.150 to LEOFF Plan 1 employees who are retirees. In 2017 three retirees meet those eligibility requirements, and actual expenditures are paid out of the General Fund/Current Expense as they are incurred.

The County carried medical insurance on three retirees and reimbursed a fourth retiree for separate medical coverage. The County reimburses medical premium expenses to retirees. The County reimburses 100 percent of the amount of validated claims for medical, prescription drugs and hospitalization costs incurred by all retirees. The County has long-term care coverage and pays the premiums for three retirees. Total expended for post-employment health care for four retired members in 2017 was \$34,048.

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

C. Closure and Postclosure Care Cost

The County has operated a Municipal Solid Waste (MSW) landfill facility since the early 1970’s, at the Carothers Road Landfill facility near Pullman. The three (3) original MSW cells (cells 1, 2 and 3) were closed and covered in 1995, in accordance with Washington State Department of Ecology (DOE) requirements, as outlined in WAC 173-304. Amongst the provisions of the WAC are requirements to perform long-term ground water quality monitoring, gas emissions monitoring, and maintenance of the closed cells. Postclosure activities for these cells are expected to carry on for another several years.

In the fall of 2017, the County undertook the design and construction of some large scale repairs and upgrades to the cover materials over cells 2 and 3. A large area of settlement was identified, and requires re-grading, and the gas monitoring system needs upgrades and repairs to be useful for monitoring. Cost of the design work and repairs is estimated in excess of \$200,000.

A fourth cell at the facility, Cell #4, is still open and receiving “Limited Purpose” waste (mostly construction debris and asbestos). This cell is permitted in accordance with the provisions of WAC 173-350. Whitman County hired a consulting engineering firm to provide preliminary design work for closure of Cell #4, and a more accurate estimate of the number of years remaining for active filling before conducting closure activities. The revised estimate that Cell #4 will be able to receive waste for another 5 to 8 years, at the current rate of filling. Once the cell is closed, it will require on-going long-term monitoring and maintenance. The Solid Waste Reserve Fund will finance the closure costs. Post-closure activities for Cell #4 are predicted to carry on for a minimum of twenty years after closure, assuming there is no need for remediation or large scale repairs to the facility. Closure costs are estimated to be approximately \$1.133 million, same as the estimate given last year, as it has not been revised in 2017.

The 2017 annual costs associated with the landfill for post-closure activity for Cells 1-3 were \$14,457 to cover repairs, groundwater monitoring, and inspections. An additional \$94,149 was spent on consulting work with respect to the repairs and upgrades to meet regulatory requirements.

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

The County has established a fund for closure and post-closure costs (Fund 410, Solid Waste Reserve), which meets the requirements of the WAC provisions. A portion of the tipping fee collected at the facility (\$2.50/ton) is transferred to the Reserve fund from the Solid Waste Fund. The amount transferred to the Solid Waste Reserve Fund in 2017 was \$83,733. The amount of the transfer is monitored each couple of years to assess whether the balance of the fund is sufficient to cover the long-term costs of closure and postclosure activities.

D. Self-Insurance

The County is allowed by Washington State Department of Employment Security to self-insure our risk. As described in Schedule 21, \$17,443 were paid out in claims for 2017. The December 31, 2017 restricted cash balance of the fund is \$224,441.

E. Pollution Remediation Obligation

The County continually reviews any possible pollution remediation and foresees no obligations at this time for any of the remediation items mentioned below. The County considered asbestos removal, EPA superfund sites, Brownfield remediation, leaking

underground storage tanks, chemical spills, and water pollution as possible pollution remediation situations. To review specifically:

1. **Asbestos removal** – The County placed asbestos removal in two categories; voluntary commencement and imminent threat for any County-owned site or properties. Known points of exposure are the Courthouse main building and a small amount in a roofing layer on the Public Service Building, soon to be abated by a licensed contractor. Asbestos inspections are completed annually by staff and every three years by an outside contractor to determine if there are any imminent threats, and if those threats are found they are immediately remedied by an outside contractor who is responsible for proper disposal. Site-specific surveys are conducted before any action is taken on construction or remodeling in or around any properties owned by the County. This process involves an outside contractor to be brought in to assess any possible asbestos exposures and eradicate the issue and properly dispose of materials as part of any County renovation. Costs of abatements in the last several years have run from \$6,500 to \$ 36,000 and have occurred because of contingency to construction during planned renovation projects.
2. **EPA Superfund Sites** – This is not applicable to the County.
3. **Brownfield Remediation** – This is not applicable to the County.
4. **Leaking underground storage tanks** – The County owns one underground storage tank beneath the parking lot north of the Colfax Jail Facility. It is a small 1,000-gallon tank containing diesel fuel for a nearby generator. The tank is monitored weekly by the Facilities Maintenance staff to ensure that lines are tight and fuel usage is measured and documented with run time recording. The tank has an alarm system, and an outside contractor makes annual inspections of the tank to ensure its viability and safety. Any leak would be detected immediately, and remediation is considered negligible.
5. **Chemical Spills** – The County uses a minimal amount of chemicals, and they are handled by licensed and trained employees for County-run facilities. Public Works hires contractors to perform any chemical spraying along County roads.
6. **Water Pollution** –Five septic systems are located at the Fairgrounds facility. They are situated at proper distances from a creek running through the 47-acre site. There are seven holding tanks and dump stations that are continually monitored and serviced by licensed pumping companies in the region. Animal manure and bedding materials accumulated during Fairground events are hauled away to eliminate any possible pollution situation.

F. Litigation, Claims, Assessments

There are three current lawsuits against the County.

1. One is brought by April and Gary Morris, relating to a motorcycle wreck on a County road. The allegation against the county involves an allegation that the road is defectively

designed and/or that the signage was inadequate. This matter has been referred to the County's insurer, who has retained the Spokane firm of Evans Craven and Lackey. The County Prosecutor respectfully declines to provide information as to the County's defense strategy in the matter, however, he can tell you that he believes it is unlikely that this case will result in any monetary liability to the County that would not be covered by the County's insurance with Canfield and Associates.

2. Another is brought by Tyler Lankford, relating to his arrest and the search of his property by various law enforcement personnel, one of which is alleged to have been a deputy sheriff. This matter has been referred to the County's insurer, who has retained the Spokane firm of Evans Craven and Lackey. The County Prosecutor respectfully declines to provide information as to the County's defense strategy in the matter, however, he can tell you that he believes it is unlikely that this case will result in any monetary liability to the County that would not be covered by the County's insurance with Canfield and Associates.
3. There is also a pending tort claim, but no lawsuit filed at this time, from a former employee in the County Auditor's office, Chris Mikalson, who alleges constructive discharge due to hostile work environment and discrimination. The County's insurer has been consulted. It is unknown whether this matter is likely to result in monetary liability to the County that would not be covered by the County's insurance.

G. Pending Fiscal Concern

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

H. Prior Period Adjustments

The 2017 Prior Period Adjustments for the County netted to \$84,173. Below are explanations of the most significant adjustments.

Current Expense/General Fund recorded a net of \$139,917 in prior period adjustments for 2017. A total of \$13,957 were for voided payments from prior years on a closed checking account. Cash was increased for the entire adjustment amount.

Funds that were collected for 2014-2016 public defense funds totaling \$132,218 some of which are referenced in the paragraph below for prior years were moved to the Current Expense/General Fund to correctly report the revenue and increased cash to that fund.

The District Court’s Special Revenue Fund 136.030.003 was to reclassify revenue from 2014 and 2015 to prior year revenue. Overall, this fund’s cash was decreased by \$86,583.00 because it was moved to Current Expense/General Fund referenced in the paragraph above.

The Public Works County Road Special Revenue fund 110.400.000 had a prior year adjustment of \$6,685 for voided payments from prior years on a closed checking account.

The Solid Waste Fund 400.000.000 loaned money to Current Expense/General Fund, and the 2015 loan payments of \$85,649 were missed. The General Fund’s loan payments are made through Debt Service Fund 210.010.001 which decreased cash to that fund, and to Solid Waste Fund 400.000.000 where cash was increased.

The County’s Clearing and Suspense 690 Agency Funds netted prior period adjustments for \$24,153. The errors consisted of reversing and correcting entries, and the transactions increased cash by the entire adjustment amount.

I. Rolling Up Funds

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

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

Fund Name/Number	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
Self-Insurance Fund (101)	10,252	20,509	13,018	17,743
Extension Publications (106)	178	84	92	170
Inmate Welfare (118)	(808)	10,393	7,165	2,420
Sheriff K-9 Unit (122)	16,237	11,122	7,178	20,181
Donations & Planned Giving (125)	348,633	4,071	9,052	343,652
Juvenile Revenue Funds (129)	87,469	0	0	87,469
Sheriff Interlocal Drug Fund (130)	12,525	0	0	12,525
Commissioner Special Revenue (133)	298,202	100,000	79,083	319,119
Web Site Development (137)	608	-	608	-

Federal Equitable Sharing (138)	182,294	1,601	10,200	173,695
Debt Service-County (210)	85,650	86,890	172,539	1
Combined with other General Funds	1,041,240	234,670	298,935	976,975

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

Fund Number/Name	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
300 Capital Projects General	3,322,883	761,755	2,619,492	1,465,146
310 Capital Projects Fair Museum	13,051	45	-	13,096
320 Capital Projects GO Bond Funds	142,194	106	-	142,300
Combined Funds under 300	3,478,128	761,906	2,619,492	1,620,542

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

Fund Number/Name	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
400 Solid Waste Fund	2,314,342	3,788,686	3,733,380	2,369,648
410 Solid Waste Reserve Fund	1,714,492	99,671	107,803	1,706,360
Combined Funds under 400	4,028,834	3,888,357	3,841,183	4,076,008

Note 9 – 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 \$72,627,230 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.

**Whitman 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						
263.91	Public Works Building Bond Holman Capital	3/31/2031	1,917,501	-	105,422	1,812,079
	Total General Obligation Debt/Liabilities:		1,917,501	-	105,422	1,812,079
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Solid Waste Revenue Bond	12/20/2023	1,474,155	-	188,386	1,285,769
259.12	Compensated Absences		682,003	-	10,659	671,344
263.22	Landfill Closure and Postclosure Liability		1,924,200	-	-	1,924,200
264.30	Net Pension Liability		7,770,715	-	1,773,452	5,997,263
	Total Revenue and Other (non G.O.) Debt/Liabilities:		11,851,073	-	1,972,497	9,878,576
	Total Liabilities:		13,768,574	-	2,077,919	11,690,655

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Food And Nutrition Service, Department Of Agriculture (via Washington State Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C-17133	150,690	-	150,690	-	1, 2, 3
Food And Nutrition Service, Department Of Agriculture (via Washington State Department of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C-17133	385	-	385	-	1, 2, 3
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	17-62210-016	50,189	-	50,189	48,689	1, 2, 3, 4
Office Of Community Planning And Development, Department Of Housing And Urban Development (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	16-62210-016	36,753	-	36,753	35,253	1, 2, 3, 4
Total CFDA 14.228:				86,942	-	86,942	83,942	
Office For Victims Of Crime, Department Of Justice (via Washington State Department of Commerce)	Crime Victim Assistance	16.575	S17-31102-534 and S18-31102- 534	50,424	-	50,424	-	1, 2
Violence Against Women Office, Department Of Justice (via Community Services and Housing Division Office of Crime Victims Advocacy)	Violence Against Women Formula Grants	16.588	F16-31103-017	20,389	-	20,389	4,270	1, 2, 4

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Bureau Of Justice Assistance, Department Of Justice (via Washington State Department of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	95,259	-	95,259	14,724	1, 2, 4
Highway Planning and Construction Cluster								
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9072	256,090	-	256,090	-	1, 2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-8888	579,056	-	579,056	-	1, 2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-8907	520	-	520	-	1, 2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9156	1,268	-	1,268	-	1, 2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-7492	30,946	-	30,946	-	1, 2
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9012	104,555	-	104,555	-	1, 2

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Federal Highway Administration (fhwa), Department Of Transportation (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-8938	8,825	-	8,825	-	1, 2
Total Highway Planning and Construction Cluster:				981,260	-	981,260	-	
Highway Safety Cluster								
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington Traffic Safety Commission)	Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	N/A	738	-	738	-	1, 2
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	SW.000018920 1	3,345	-	3,345	-	1, 2
National Highway Traffic Safety Administration (nhtsa), Department Of Transportation (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	N/A	1,804	-	1,804	-	1, 2
Total CFDA 20.616:				5,149	-	5,149	-	
Total Highway Safety Cluster:				5,886	-	5,886	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Public Health Emergency Preparedness	93.069	C17133	8,017	-	8,017	-	1, 2, 3

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Food And Drug Administration, Department Of Health And Human Services (via Association of Food and Drug Officials)	Food and Drug Administration Research	93.103	G-T-161104503	3,000	-	3,000	-	1, 2
Food And Drug Administration, Department Of Health And Human Services (via Association of Food and Drug Officials)	Food and Drug Administration Research	93.103	G-SP-1611- 04441	2,500	-	2,500	-	1, 2
			Total CFDA 93.103:	5,500	-	5,500	-	
Centers For Disease Control And Prevention, Department Of Health And Human Services (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	N/A	6,423	-	6,423	-	1, 5
Administration For Children And Families, Department Of Health And Human Services (via State of Washington Department of Social and Health Services)	Child Support Enforcement	93.563	Contract 2110- 80496; Award 75-1501-0-1- 609	69,823	-	69,823	-	1, 2
Administration For Children And Families, Department Of Health And Human Services (via State of Washington Department of Social and Health Services)	Child Support Enforcement	93.563	75-1501-0-0- 609	15,644	-	15,644	-	1, 2
			Total CFDA 93.563:	85,467	-	85,467	-	
Medicaid Cluster								
Centers For Medicare And Medicaid Services, Department Of Health And Human Services (via Washington State Department of Health)	Medical Assistance Program	93.778	K1423	3,425	-	3,425	-	1, 2, 3
			Total Medicaid Cluster:	3,425	-	3,425	-	

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Health Resources And Services Administration, Department Of Health And Human Services (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C-17133	31,506	-	31,506	-	1, 2, 3
United States Coast Guard (uscg), Department Of Homeland Security (via Washington State Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	N/A	20,784	-	20,784	-	1, 2
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington Military Department)	Emergency Management Performance Grants	97.042	E-18-108	15,268	-	15,268	-	1, 2
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington Military Department)	Emergency Management Performance Grants	97.042	E-17-179	15,546	-	15,546	-	1, 2
Total CFDA 97.042:				30,814	-	30,814	-	
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Greater Spokane Department of Emergency)	Homeland Security Grant Program	97.067	GSEM 1611 #E17-082	14,260	-	14,260	-	1, 2
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Greater Spokane Department of Emergency)	Homeland Security Grant Program	97.067	GSEM 1519 #E16-076	14,014	-	14,014	-	1, 2
Total CFDA 97.067:				28,274	-	28,274	-	
Total Federal Awards Expended:				1,611,446	-	1,611,446	102,936	

The accompanying notes are an integral part of this schedule.

Whitman County

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 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 – Indirect Cost Rate

Public Health Department has a Stated Indirect Rate of 37-percent for most of their grants. The negotiated percentage was accepted and approved July 1, 2016 for July 1, 2016 through December 31, 2017.

The U.S. Department of Housing and Urban Development (HUD) via the Washington State Department of Commerce pays the County a \$3,000 overhead fee for each Community Development Block Grant, each running from July 1 through June 30. In 2017 the County received \$1,500 for 16-62210-016 and \$1,500 for 17-62210-016.

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

Note 4 – Amounts Awarded to Sub-Recipients

Included in the total amount for these programs is \$102,936.00 that were passed through to a sub-recipient(s) that administered its own project.

Note 5 – Non-cash Awards - Vaccinations

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

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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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