



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Adams County

For the period January 1, 2018 through December 31, 2018

Published September 12, 2019

Report No. 1024466





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

September 12, 2019

Board of Commissioners
Adams County
Ritzville, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

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

Pat McCarthy
State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Adams County January 1, 2018 through December 31, 2018

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

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

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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

**Adams County
January 1, 2018 through December 31, 2018**

Board of Commissioners
Adams County
Ritzville, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Adams County, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County’s financial statements, and have issued our report thereon dated August 8, 2019. As discussed in Note 9 to the financial statements, the 2017 financial statements have been restated to correct a misstatement.

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

Pat McCarthy

State Auditor

Olympia, WA

August 8, 2019

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

**Adams County
January 1, 2018 through December 31, 2018**

Board of Commissioners
Adams County
Ritzville, Washington

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

We have audited the compliance of Adams 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, 2018. 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, 2018.

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.

We noted certain matters that we have reported to the management of the County in a separate letter dated September 3, 2019.

Purpose of this Report

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

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

Pat McCarthy

State Auditor

Olympia, WA

August 8, 2019

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Adams County January 1, 2018 through December 31, 2018

Board of Commissioners
Adams County
Ritzville, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Adams County, for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 16.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, Adams County has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of Adams County, and its changes in cash and investments, for the year ended December 31, 2018, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

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

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Adams County, as of December 31, 2018, 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 – Correction of Prior Year Misstatement

As discussed in Note 9 to the financial statements, the 2017 financial statements have been restated to correct a misstatement. 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 August 8, 2019 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

August 8, 2019

FINANCIAL SECTION

Adams County January 1, 2018 through December 31, 2018

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2018
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2018
Notes to the Financial Statements – 2018

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2018
Schedule of Expenditures of Federal Awards – 2018
Notes to the Schedule of Expenditures of Federal Awards – 2018

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		Total for All Funds (Memo Only)	001 Current Expense	103 E911	104 IHCS
Beginning Cash and Investments					
30810	Reserved	11,402,222	843,619	845,940	1,798,825
30880	Unreserved	8,143,637	3,631,696	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	7,975,703	4,976,961	498,572	10,548
320	Licenses and Permits	229,253	140,317	-	88,770
330	Intergovernmental Revenues	11,721,061	1,730,667	378,333	2,265,161
340	Charges for Goods and Services	3,883,720	809,734	40,809	58,259
350	Fines and Penalties	767,247	766,368	-	-
360	Miscellaneous Revenues	3,313,452	629,803	522	183,101
Total Revenues:		27,890,436	9,053,850	918,236	2,605,839
Expenditures					
510	General Government	5,358,758	4,327,500	-	-
520	Public Safety	4,335,896	3,406,137	708,561	-
530	Utilities	1,356,979	-	-	-
540	Transportation	7,534,010	-	-	-
550	Natural and Economic Environment	733,802	290,419	-	-
560	Social Services	2,700,863	16,955	-	2,396,804
570	Culture and Recreation	319,521	308,486	-	-
Total Expenditures:		22,339,829	8,349,496	708,561	2,396,804
Excess (Deficiency) Revenues over Expenditures:		5,550,607	704,354	209,675	209,035
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	806,742	18,745	-	159,894
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	82,302	69,931	-	-
381, 395, 398	Other Resources	46,552	9,091	-	-
Total Other Increases in Fund Resources:		935,596	97,767	-	159,894
Other Decreases in Fund Resources					
594-595	Capital Expenditures	4,645,433	63,427	284,252	24,545
591-593, 599	Debt Service	166,875	-	-	-
597	Transfers-Out	806,742	706,807	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	224,724	211,616	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		5,843,774	981,851	284,252	24,545
Increase (Decrease) in Cash and Investments:		642,429	(179,730)	(74,577)	344,384
Ending Cash and Investments					
5081000	Reserved	11,866,937	647,707	771,363	2,143,210
5088000	Unreserved	8,321,352	3,647,878	-	-
Total Ending Cash and Investments		20,188,288	4,295,585	771,363	2,143,210

The accompanying notes are an integral part of this statement.

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		105 Criminal Justice	106 Emergency Services	107 Veterans Services	109 Law Library
Beginning Cash and Investments					
30810	Reserved	732,674	10,260	34,600	1,877
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	176,936	-	397	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	73,337	-	-
340	Charges for Goods and Services	-	-	-	6,913
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	13,783	399	188	-
Total Revenues:		190,719	73,736	584	6,913
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	117,703	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	2,569	-
570	Culture and Recreation	-	-	-	6,828
Total Expenditures:		-	117,703	2,569	6,828
Excess (Deficiency) Revenues over Expenditures:		190,719	(43,967)	(1,984)	85
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	51,228	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	51,228	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	98,458	8,605	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	73,491	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		171,949	8,605	-	-
Increase (Decrease) in Cash and Investments:		18,770	(1,344)	(1,984)	85
Ending Cash and Investments					
5081000	Reserved	751,444	8,917	32,615	1,962
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		751,444	8,917	32,615	1,962

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		110 Paths and Trails	111 Regional Landfill Settlement	113 Education Sup	114 Treasurers O & M
Beginning Cash and Investments					
30810	Reserved	102,820	254,525	6,832	11,675
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	22,569	-	-	-
340	Charges for Goods and Services	-	-	-	814
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	34,561	50	-
Total Revenues:		22,569	34,561	50	814
Expenditures					
510	General Government	-	-	-	4,018
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	30,000	-	-
570	Culture and Recreation	-	3,000	1,207	-
Total Expenditures:		-	33,000	1,207	4,018
Excess (Deficiency) Revenues over Expenditures:		22,569	1,561	(1,157)	(3,204)
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:		22,569	1,561	(1,157)	(3,204)
Ending Cash and Investments					
5081000	Reserved	125,389	256,086	5,675	8,471
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		125,389	256,086	5,675	8,471

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		115 County Road	116 Auditor's O & M	117 Developmental Disability	119 Trial Ct Improvement
Beginning Cash and Investments					
30810	Reserved	5,327,502	39,578	16,688	22,753
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	1,864,718	-	43,795	-
320	Licenses and Permits	166	-	-	-
330	Intergovernmental Revenues	6,952,146	46,142	81,541	31,610
340	Charges for Goods and Services	41,154	6,768	45,786	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	30,239	25	1,861	613
Total Revenues:		8,888,423	52,935	172,983	32,223
Expenditures					
510	General Government	21,942	66,982	-	14,901
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	5,624,501	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	180,388	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		5,646,444	66,982	180,388	14,901
Excess (Deficiency) Revenues over Expenditures:		3,241,979	(14,047)	(7,405)	17,323
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,068,986	-	-	-
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:		3,068,986	-	-	-
Increase (Decrease) in Cash and Investments:		172,994	(14,047)	(7,405)	17,323
Ending Cash and Investments					
5081000	Reserved	5,500,495	25,531	9,283	40,075
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		5,500,495	25,531	9,283	40,075

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		120 Tourism Enhancement	122 Distressed Co/Pub Facilities	123 Low Income Housing	130 Drug Enforcement
Beginning Cash and Investments					
30810	Reserved	4,663	907,527	234,382	74,809
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	1,444	310,844	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	102,619	7,212
350	Fines and Penalties	-	-	-	799
360	Miscellaneous Revenues	-	18,466	4,202	101,817
Total Revenues:		1,444	329,311	106,821	109,827
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	57,362
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	234,233	-	-
560	Social Services	-	-	74,148	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	234,233	74,148	57,362
Excess (Deficiency) Revenues over Expenditures:		1,444	95,077	32,673	52,466
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	10,341
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	7,699	-	18,745
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	1,000
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	7,699	-	30,086
Increase (Decrease) in Cash and Investments:		1,444	87,378	32,673	22,380
Ending Cash and Investments					
5081000	Reserved	6,107	994,906	267,055	97,188
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		6,107	994,906	267,055	97,188

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		131 RSO Addr Verif	135 Crime Victims Compensation	136 Domestic Violence Prevention	137 Domestic Violence Assessment
Beginning Cash and Investments					
30810	Reserved	72,935	20,051	2,525	8,746
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	47,625	-	-	-
340	Charges for Goods and Services	-	17,320	91	-
350	Fines and Penalties	-	-	-	80
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		47,625	17,320	91	80
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	46,133	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		46,133	-	-	-
Excess (Deficiency) Revenues over Expenditures:		1,492	17,320	91	80
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:		1,492	17,320	91	80
Ending Cash and Investments					
5081000	Reserved	74,427	37,371	2,617	8,826
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		74,427	37,371	2,617	8,826

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		166 Noxious Weed	210 Debt Service	301 Rodeo Lake	321 Capital Improvement
Beginning Cash and Investments					
30810	Reserved	26,416	-	-	-
30880	Unreserved	-	54	5,469	354,319
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	91,488
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	2,060	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	229,415	-	-	7,394
Total Revenues:		231,475	-	-	98,882
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	207,675	-	1,475	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		207,675	-	1,475	-
Excess (Deficiency) Revenues over Expenditures:		23,800	-	(1,475)	98,882
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	166,875	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	166,875	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	51,994
591-593, 599	Debt Service	-	166,875	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	166,875	-	51,994
Increase (Decrease) in Cash and Investments:		23,800	-	(1,475)	46,888
Ending Cash and Investments					
5081000	Reserved	50,216	-	-	-
5088000	Unreserved	-	54	3,995	401,207
Total Ending Cash and Investments		50,216	54	3,995	401,207

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		322 Capital Projects	323 Real Estate Tech	324 Econ Dev Cap Proj	401 Solid Waste
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	436,022	121,841	117,172	1,813,800
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	10,659	-	81,271
340	Charges for Goods and Services	-	1,858	-	1,551,605
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	8,290	-	2,228	67,841
Total Revenues:		8,290	12,516	2,228	1,700,717
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	1,356,979
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	1,356,979
Excess (Deficiency) Revenues over Expenditures:		8,290	12,517	2,228	343,738
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	12,370
381, 395, 398	Other Resources	-	-	-	30,021
Total Other Increases in Fund Resources:		-	-	-	42,391
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	4,213	-	307,954
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	12,108
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	4,213	-	320,062
Increase (Decrease) in Cash and Investments:		8,290	8,304	2,228	66,067
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	444,312	130,144	119,400	1,879,867
Total Ending Cash and Investments		444,312	130,144	119,400	1,879,867

Adams County
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		501 Courthouse O & M	502 Central Services	590 Intergov Services
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	27,889	97,492	1,537,884
388 / 588	Prior Period Adjustments, Net	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	525,546	665,174
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	70,368	63	1,908,222
Total Revenues:		70,368	525,609	2,573,396
Expenditures				
510	General Government	483,382	438,501	1,532
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	1,909,508
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		483,382	438,501	1,911,040
Excess (Deficiency) Revenues over Expenditures:		(413,014)	87,108	662,356
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	410,000	-	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	7,440
Total Other Increases in Fund Resources:		410,000	-	7,440
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	49,546	673,112
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:		-	49,546	673,112
Increase (Decrease) in Cash and Investments:		(3,014)	37,562	(3,316)
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	24,875	135,053	1,534,567
Total Ending Cash and Investments		24,875	135,053	1,534,567

Adams County
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		Total for All Funds (Memo Only)	Investment Trust	Agency
308	Beginning Cash and Investments	53,510,550	53,146,387	364,163
388 & 588	Prior Period Adjustment, Net	-	-	-
310-390	Additions	124,856,135	97,340,866	27,515,269
510-590	Deductions	125,226,594	98,044,973	27,181,622
	Net Increase (Decrease) in Cash and Investments:	(370,459)	(704,107)	333,648
508	Ending Cash and Investments	53,140,090	52,442,280	697,810

The accompanying notes are an integral part of this statement.

Adams County
Notes to the Financial Statements
For the year ended December 31, 2018

Note 1 - Summary of Significant Accounting Policies

Adams County was incorporated in 1883 and operates under the laws of the state of Washington applicable to a second-class county with a commissioner form of government. The County is a general-purpose local government and provides public safety, road improvement, judicial administration, health and social services and general administrative services.

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

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

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. 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.

Investment Trust Funds

These funds are used to report fiduciary activities from the external portion of investment pools and individual investment accounts that are held in trust.

Custodial Funds (Agency Funds)

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

B. Basis of Accounting and Measurement Focus

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

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

C. Cash and Investments

See Note 3, *Deposits and Investments*.

D. Capital Assets

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

purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 36 days and a maximum of 240 hours is payable upon separation or retirement after the employees one year of probation.

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

Sheriff's Association Employees: Sick leave may be accumulated up to 960 hours. Employees hired between Jan 1, 1983 and November 7, 1988 shall be paid for ½ of unused sick leave upon death or retirement. Any regular employee who shall die while employed by the County shall be paid 100% of unused sick leave. Any regular employee who shall retire after 10 years of continuous employment can elect to be paid 25% of unused sick leave.

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

Upon separation or retirement, payments made to eligible employees for unused sick leave are recognized as expenditures when paid.

F. Long-Term Debt

See Note 4, *Debt Service Requirements*.

G. Reserved Portion of Ending Cash and Investments

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

Reservations of Ending Cash and Investments consist of:

2018

Reserved Fund Balances

	End Bal	Reserved by:
001D Employee Liability Reserve	206,656.95	Co Res R-47-2010
001G Criminal Justice Reserve	441,050.06	Co Res R-014-2017
103 Enhanced 911/E 911 Reserve	771,362.54	State Grant Funding/ R03-09 Ordinance 3.44.20/R-17-2013
104 Integrated Health Services	2,143,210.00	Federal & State Grants/Reserve for Tuberculosis
105 Criminal Justice Sales Tax Rsv	751,444.35	RCW 10.101/10.101.70 Co Resolution R34-94
106 Emergency Services	8,916.75	State and Federal Grant Restricted Revenues
107 Veterans Relief	32,615.09	RCW 73.08.080
109 Law Library	1,962.35	RCW 27.24.068
110 Paths & Trails	125,389.04	RCW 36.82 & 46.68
111 Regional Landfill	256,086.28	Co Res R 43-94
113 Educational Sup Prog	5,675.09	Co Res R 15-98
114 Treasurers O & M	8,470.64	RCW 82.45.180
115 County Road	5,500,495.14	Federal & State Grants
116 Auditor's O & M	25,531.01	RCW 36.22
117 Developmental Disability	9,282.73	RCW 71.20.110
119 Trial Court Improvement	40,075.01	RCW 43.08.250
120 Tourism Enhancement	6,107.07	RCW 67.28.180
122 Distressed Co/Public Facilities	994,905.99	RCW 82.14.370/Co Ordinance 3.15.050
123 Low Income Housing	267,055.23	Co Res R 54-02
130 Drug Enforcement	97,187.83	RCW 9.95.210
131 RSO Address Verification	74,427.82	Co Res R 06-12/RCW 9A.44.130
135 Crime Victims Comp	37,371.04	RCW 10.82.070
136 Domestic Viol Prevention	2,616.92	RCW 10.99.080
137 Dom Violence Assessment	8,826.18	RCW 10.99.080
166 Noxious Weed	50,216.21	Restricted Revenue/Property Assessments
Total	11,866,937.32	

Note 2— Budget Compliance

A. Budgets

The county adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level except current expense fund, where the 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 annual appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund number	Fund name	budget	expenditures	ending balance
001	Current Expense			
001/005	Commissioners	348,644.00	322,970.44	25,673.56
001/010	Superior Court	238,914.00	238,658.74	255.26
001/015	District Ct. Position #1	328,781.00	308,200.80	20,580.20
001/016	District Ct. Position #2	364,877.00	361,995.59	2,881.41
001/017	Adult Probation	15,000.00	13,948.08	1,051.92
001/020	Board of Equalization	4,850.00	2,619.60	2,230.40
001/023	Auditor	430,386.00	369,785.38	60,600.62
001/025	Clerk	209,072.00	204,076.94	4,995.06
001/030	Treasurer	305,129.00	302,626.61	2,502.39
001/040	Assessor	399,660.00	357,948.87	41,711.13
001/045	Prosecuting Attorney	693,226.00	664,676.94	28,549.06
001/046	Support Enforcement	215,245.00	204,792.46	10,452.54
001/050	Civil Service	2,100.00	641.77	1,458.23
001/055	Human Resources	116,900.00	76,980.88	39,919.12
001/060	Leoff	48,300.00	42,416.17	5,883.83
001/065	Police Ops	2,125,255.00	2,125,247.41	7.59
001/070	Care & Custody	660,500.00	659,814.81	685.19
001/085	Juvenile	468,566.00	443,487.95	25,078.05
001/087	Planning & Building	412,490.00	252,382.81	160,107.19
001/090	Coroner	30,200.00	3,710.00	26,490.00
001/095	Agent	147,067.00	147,064.46	2.54
001/099	Non Departmental	1,942,411.00	1,935,644.89	6,766.11
Total	Current Expense	9,507,573.00	9,039,691.60	467,881.40
0012	Current Expense Reserve	0.00	0.00	0.00
0013	GO Bond	0.00	0.00	0.00
0014	Employee Liability	3,100.00	3,093.47	6.53
0015	Juvenile Detention Alt	10,000.00	1,584.14	8,415.86
0016	Jail Operation and Improvement	25,000.00	21,119.62	3,880.38
0017	Criminal Justice Reserve	200,000.00	180,342.00	19,658.00
0018	Sheriff Donation Fund	7,500.00	6,642.79	857.21
Total	Current Exp plus managerial	9,753,173.00	9,252,473.62	500,699.38
103	Enhanced 911	779,576.00	709,966.99	69,609.01
103A	E-911 Reserve	376,608.00	334,453.96	42,154.04
104	Integrated Health	2,609,269.00	2,421,348.38	187,920.62
105	Criminal Justice	173,491.00	171,948.76	1,542.24
106	Emergency Management	127,695.00	126,307.47	1,387.53
107	Veterans Relief	11,300.00	2,569.38	8,730.62

108	Fair	183,729.00	161,421.41	22,307.59
109	Law Library	7,000.00	6,828.03	171.97
110	Paths & Trails	45,000.00	0.00	45,000.00
111	Regional Landfill Settlement	287,124.00	33,000.00	254,124.00
113	Education Support Programs	9,437.00	1,207.20	8,229.80
114	Treasurer's O & M	10,000.00	3,100.85	6,899.15
115	County Road	9,441,784.00	8,715,429.39	726,354.61
116	Auditor's O & M	68,347.00	66,982.16	1,364.84
117	Developmental Disability	231,808.00	180,387.84	51,420.16
119	Trial Court Improvement	26,100.00	14,900.50	11,199.50
120	Tourism Enhancement	3,000.00	0.00	3,000.00
122	Distressed Co/Pub Serv	243,975.00	241,932.05	2,042.95
123	Low Income Housing	76,000.00	74,147.52	1,852.48
130	Drug Enforcement	90,250.00	89,996.89	253.11
131	RSO Address Verification	48,608.00	47,816.26	791.74
132	Seized and Forfeited Property	100,000.00	94,147.14	5,852.86
135	Crime Victims Comp	0.00	0.00	0.00
166	Noxious Weed	221,595.00	207,675.43	13,919.57
210	Debt Service	166,875.00	166,875.00	0.00
301	Rodeo Lake	5,400.00	1,474.59	3,925.41
321	Capital Improvements	105,000.00	51,994.20	53,005.80
322	Capital Projects	0.00	0.00	0.00
323	R/E Technology	5,000.00	4,213.05	786.95
324	Econ Dev Capital Projects	100,000.00	0.00	100,000.00
401	Solid Waste	1,705,067.00	1,664,933.04	40,133.96
501	Courthouse O & M	483,608.00	483,381.65	226.35
502	Central Services	502,315.00	488,047.13	14,267.87
590	IGS	3,450,511.00	2,584,152.70	866,358.30
	Total County	31,448,645.00	28,403,112.59	3,045,532.41

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

Note 3 – Deposits and Investments

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

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and

are invested with entities that are approved by the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the county or its agent in the government's name.

Investments are reported at original cost. Investments by type at December 31, 2018 are as follows:

Type of Investment	Investments held by Adams County as an agent for other local governments, individuals or private organizations			Total
	Adams County Own Investment			
L.G.I.P	\$15,529,178.49		\$34,151,958.19	\$49,681,136.68
U.S. Government Securities	\$1,240,682.15		\$14,346,548.61	\$15,587,230.76
Other	\$2,871,760.65		\$2,035,076.23	\$4,906,836.88
Total	\$19,641,621.29		\$50,533,583.03	\$70,175,204.32

Note 4– Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the county and summarizes the county's debt transactions for year ended December 31, 2018.

The debt service requirements for general obligation bonds and other (non G.O.) debt/liabilities are as follows:

	Principal	Interest	Total
2019	\$210,629	67,582	278,211
2020	\$192,238	56,715	248,953
2021	\$205,312	47,141	252,453
2022	\$213,526	37,052	250,578
2023	\$221,888	26,565	248,453
2024-2025	\$395,403	23,551	418,953
	\$1,438,996	\$258,606	\$1,697,601

Note 5 - Property Tax

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

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

The county's regular levy for the year 2018 was \$1.80 per \$1,000 on an assessed valuation of \$2,029,452,506 for a total regular levy of \$3,653,015.

The County Road's levy rate for the year 2018 was \$1.300947 per \$1,000 on an assessed valuation of \$1,376,089,225 for a total regular levy of \$1,790,219.

Note 6 – OPEB Plans

The county is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington state Health Care Authority. The plan provides medical, dental and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The county had 198 active plan members and 13 retired plan members as of December 31, 2018. The county contributed \$1,572,236 to the plan for the year ended December 31, 2018.

The LEOFF 1 Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the county as required by RCW 41.26. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2018, the plan had 3 members, all retirees. For the year ended December 31, 2018, the county paid \$42,416.17 in benefits

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all county full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees' Retirement System (PERS), Public Safety Employees' Retirement System (PSERS), and Law Enforcement and Fire Fighters' Retirement System (LEOFF).

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

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

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

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

At June 30, 2018, the county's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$418,626	0.062629%	\$2,797,032
PERS 2/3	\$579,385	0.075088%	\$1,282,061
PSERS 2	\$ 23,288	0.088182%	\$1,093
LEOFF 1		0.006174%	(\$112,089)
LEOFF 2	\$62,830	0.036232%	(\$735,589)

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 8 – Risk Management

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

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2018, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2018, Adams County selects a per-occurrence deductible of \$10,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions (“SIRs”) equal to the greater of the deductible for the member with the claim or \$100,000. More recent years’ reinsurance programs have included “corridor deductibles” with aggregated stop losses which have the effect of increasing the Pool’s SIR. For 2017-18, the “corridor” increased the SIR to \$2 million, with an aggregated stop loss of \$4.35 million. Other reinsurance agreements respond up to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

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

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

During 2017-18, Adams County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties’ buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes ‘All Other Perils (“AOP”)’ coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

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

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

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

Committee members are expected to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon

During 2017-18, the WCRP's assets increased slightly to \$51.5 million while its liabilities increased slightly to \$31.5 million. The Pool's net position increased slightly from \$18.1 million to \$19.8 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2018 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

Note 9 - Other Disclosures

Organizational Changes:

County Commissioner District #3 Commissioner Jeff Stevens submitted a letter of resignation on March 14, 2018, which was effective March 15, 2018. On April 18, 2018 Terrance J. Thompson was appointed to fill the vacancy of Adams County Commissioner of District No. 3.

Construction Commitment

The county has active construction projects as of December 31, 2018. The projects include Cunningham Road Widening Project, McMan Bridge, and an E-911 console project. At year-end the district's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments	Financing Arrangements
0115-01 (Cunningham Rd Widening Project 870179)	\$970,550.79	\$51,081.62	Budgeted in 2019 County Road Budget
LA-8023/ McMan Bridge #400-3	\$352,110.66	\$1,390,060.36	Budgeted in 2019 County Road Budget
E-911 Console Project	\$229,790.25	\$229,790.25	Budgeted in 2019 103A Budget
Total	\$1,552,451.70	\$1,670,932.23	

Funds reported in Current Expense (rolled up):

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

0012	Current Expense Reserve
0013	GO Bond
0014	Employee Liability
0015	Juvenile Detention Alternative
0016	Jail Operation and Improvement
0017	Criminal Justice Reserve
0018	Sheriff Donation Fund
108	Fair
643	Treasurer's Suspense

Non-Managerial funds included in the rollup:

Fund 108 Fair – This fund was formerly a special revenue fund because the county had an agreement with the Adams County Fair Association to plan and administer the Adams County Fair. The Washington State Fair Premium funding was deposited into this fund and then disbursed to the Fair Association. The fair is now being run as a community fair and the county is renting the fairgrounds to the fair association. The restricted revenues once received by this fund are no longer being received (state fair premium funds) and the contract between the fair association and the county no longer exists, so the fund is being reported as unreserved in the general fund (current expense).

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

Joint Ventures

Martin Hall:

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

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

Adams County/Port of Othello

Memorandum of Understanding between Adams County and Port of Othello – In January 2018 the Washington State Capital Budget was approved and fully funded Adams County's request of \$1,250,000 for Phase #2 of a proposed Wastewater Treatment Plant. The MOU for Phase 2 of the project will commence the development of the construction and operational contract establishing the Port of Othello and Adams County are 50/50 partners in securing the construction and operation of the facility.

Skill Source – Interlocal Cooperation Agreement among Adams, Chelan, Douglas, Grant and Okanogan Counties to form the Adams, Chelan Douglas Grant and Okanogan Counties Workforce Development Area.

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

- Mental Health & Substance Use Disorder's funding is through a Spokane Behavioral Health Organization (SCRBHO) agreement. The Health Care Authority flows Behavioral Health dollars through the Behavioral Health Organizations around the State. Our Behavioral Health Organization is Spokane. Funding for Mental Health and Substance Use Disorders is through the BHO partnership agreement, which includes Medicaid, Non-Medicaid and Jail Dollars, local millage dollars, and private client fees.
- Better Health Together is an Accountable Community of Health representing a six-county region in Eastern Washington, including Spokane, Lincoln, Adams, Ferry Pend Oreille and Stevens County. Better Health Together is convening and coordinating organizations who impact health to take part in the Medicaid Transformation; a five-year opportunity to radically improve health through innovative and cooperative redesign of the Medicaid delivery system. These efforts are tied to the state's Healthier Washington initiative, and made possible by the state's successful acquisition of an 1115 Medicaid Waiver.
- Public Health receives funding through DOH (Washington Department of Health), Health Care Authority, Spokane Health District (Regionalized Dollars for Youth Tobacco and Marijuana Prevention), local taxes and Client fees.
 - Funding from DOH includes Consolidated Contract and;
 - Foundation Public Health and County Public Assist Funds are allocated to LHJ by DOH no written agreements
- Developmental Disability receives funding through Washington State's Disabilities program and private sales. We partner with Washington State Developmental Disabilities.
- Prevention Program IHCS partners with DBHR (Washington Division of Behavioral Health and Recovery) for funding. The agreement was transferred from DBHR to HCA last year with all the Integration Changes.

In 2017, additions and deductions reported in fiduciary funds included intrafund activity related to the County's accounting for the purchase and sale of investments. The original and restated balances are as follows:

Original 2017	total	inv trust	Agency
Beg Balance	51,416,534	44,906,477	6,510,057
Additions	614,996,294	244,493,612	370,502,681
Deductions	612,931,770	244,394,224	368,537,546
Ending Balance	53,481,058	45,005,865	8,475,193

Updated 2017

	total	inv trust	Agency
Beg Balance	51,416,534	50,922,369	494,165
Additions	126,108,458	101,753,591	24,354,867
Deductions	124,043,934	99,529,572	24,514,362
Ending Balance	53,481,058	53,146,388	334,670

Correction of this error had no effect on 2018 beginning cash and investments.

**Adams County
Schedule of Liabilities
For the Year Ended December 31, 2018**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	GO Bond	6/1/2025	1,095,000	-	115,000	980,000
Total General Obligation Debt/Liabilities:			1,095,000	-	115,000	980,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absenses		648,774	-	42,535	606,239
264.30	Pension Liabilities		5,665,369	-	1,585,183	4,080,186
263.52	Tabulator Purchase	5/15/2019	52,660	-	26,330	26,330
263.52	Tractor(s) Purchase	8/20/2024	-	432,666	-	432,666
Total Revenue and Other (non G.O.) Debt/Liabilities:			6,366,803	432,666	1,654,048	5,145,421
Total Liabilities:			7,461,803	432,666	1,769,048	6,125,421

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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, AGRICULTURE, DEPARTMENT OF (via Washington Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18235	93,166	-	93,166	-	1,2
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CLH18235	344	-	344	-	1,2
Total CFDA 10.557:				93,510	-	93,510	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Washington State Department of Social and Health Services))	Violence Against Women Formula Grants	16.588	F-17-31103-039	15,416	-	15,416	-	1,2,4
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	State Criminal Alien Assistance Program	16.606	8094	-	6,118	6,118	-	1,2
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA- 8023/McMan Bridge #400-3	234,702	-	234,702	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA- 9294/McKinney/ Thacker Rd Safety Project	5,515	-	5,515	-	1,2

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9344/Lind- Hatton/Damon Rd Overlay Project	1,191,524	-	1,191,524	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9176/Lind- Warden Rd Fill/Culvert Replacement Project	1,502	-	1,502	-	1,2
Total Highway Planning and Construction Cluster:				1,433,243	-	1,433,243	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Association of Sheriffs and Police Chiefs)	State and Community Highway Safety	20.600	NHTSA DOT	1,752	-	1,752	-	1,2
Total Highway Safety Cluster:				1,752	-	1,752	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Public Health Emergency Preparedness	93.069	CLH18235	23,313	-	23,313	-	1,2
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103	G-MP-1709- 05346	-	3,777	3,777	-	1,2

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Division of Alcohol Substance Abuse)	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1763-94235	23,134	-	23,134	-	1,2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Immunization Cooperative Agreements	93.268	CLH18235	2,003	-	2,003	-	1,2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Immunization Cooperative Agreements	93.268	CLH18235	2,447	-	2,447	-	1,2
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Immunization Cooperative Agreements	93.268	N/A	-	35,902	35,902	-	3
Total CFDA 93.268:				4,450	35,902	40,352	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Division of Child Support)	Child Support Enforcement	93.563	2110-80335	10,436	-	10,436	-	1,2,4

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Division of Child Support)	Child Support Enforcement	93.563	75-1501-0-1- 609	152,940	-	152,940	-	1,2,4
Medicaid Cluster			Total CFDA 93.563:	163,376	-	163,376	-	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Health Care Association)	Medical Assistance Program	93.778	K751/2734	12,310	-	12,310	-	1,2
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Health Care Authority)	Medical Assistance Program	93.778	K3057	15,744	-	15,744	-	1,2,4
Total Medicaid Cluster:			Total Medicaid Cluster:	28,054	-	28,054	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Division of Alcohol Substance Abuse)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	1763-94235	44,404	-	44,404	-	1,2
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	CLH18235	32,313	-	32,313	-	1,2

The accompanying notes are an integral part of this schedule.

Adams County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via United States Department of Homeland Security)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D17-111/4309- DR-WA Large Project PW#182 EEAC03C	37,275	-	37,275	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Wa State Military Dept)	Emergency Management Performance Grants	97.042	E18-089	16,107	-	16,107	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Wa State Military Dept)	Emergency Management Performance Grants	97.042	E19-061	3,737	-	3,737	-	1,2
Total CFDA 97.042:				19,844	-	19,844	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Wa State Military Dept)	Homeland Security Grant Program	97.067	GSEM-082/E17 -082	15,965	-	15,965	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Wa State Military Dept)	Homeland Security Grant Program	97.067	GSEM- 1711/E18-163	8,943	-	8,943	-	1,2
Total CFDA 97.067:				24,907	-	24,907	-	
Total Federal Awards Expended:				1,944,992	45,797	1,990,790	-	

The accompanying notes are an integral part of this schedule.

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

Note 1 – Basis of Accounting

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

Note 2 – Program Costs

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

Note 3 – Noncash Awards - Vaccinations

The amount of vaccine reported on the Schedule is the value of vaccine received by the county during current year and priced as prescribed by Dr Alexander L. Brzezny.

Note 4 – Indirect Cost Rate

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

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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