



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Douglas County

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

Published September 19, 2019

Report No. 1024542





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

September 19, 2019

Board of Commissioners
Douglas County
East Wenatchee, Washington

Report on Financial Statements

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

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

Sincerely,

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

Pat McCarthy
State Auditor
Olympia, WA

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Douglas County January 1, 2018 through December 31, 2018

This schedule presents the status of findings reported in prior audit periods.

| | | |
|--|------------------------------------|--------------------------------------|
| Audit Period: 2017 | Report Ref. No.: 1022194 | Finding Ref. No.: 2017-001 |
| Finding Caption: The County's internal controls over financial statement preparation were inadequate to ensure accurate reporting. | | |
| Background: County commissioners, state and federal agencies, and the public rely on the information included in the financial statements and reports to make decisions. County management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of financial reporting. Our audit identified the following deficiencies in internal controls over financial reporting which, when taken together, represent a material weakness: <ul style="list-style-type: none">• Management did not have a process to eliminate intrafund activity within the County's agency funds.• Management's reconciliation of ending cash and investment was not effective at identifying cash paid out for debt payments by the County's fiscal agent before year-end.• Management's review of the year-end financial statements was not effective to ensure proper classification of certain revenues and correct reporting of certain cash and investments amounts as reserved. We recommend the County: <ul style="list-style-type: none">• Establish controls effective to identify and eliminate all intrafund activity.• Reduce reported cash and investments to account for cash disbursements by its fiscal agent.• Establish a more effective review of revenue and ending cash and investment classifications.• Provide adequate time and additional training to staff responsible for financial accounting and reporting. | | |

Status of Corrective Action:☒ Fully
Corrected☐ Partially
Corrected☐ Not Corrected☐ Finding is considered no
longer valid**Corrective Action Taken:**

The intrafund transactions in question were for Agency funds that we don't manage their accounting transactions. The Treasurer now provides the Chief Accountant with a spreadsheet of all Agency Fund intrafund activity.

The Treasurer office now clears the Fiscal Agent balance when wire transfers are initiated which resolved the ending cash and investment issue.

**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**

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

Board of Commissioners
Douglas County
East Wenatchee, 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 Douglas 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 22, 2019.

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 style with a large, stylized "P" and "M".

Pat McCarthy
State Auditor
Olympia, WA

August 22, 2019

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

Board of Commissioners
Douglas County
East Wenatchee, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Douglas 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 12.

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, Douglas 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 Douglas 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 Douglas 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.

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 Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is 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 22, 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.



Pat McCarthy

State Auditor

Olympia, WA

August 22, 2019

FINANCIAL SECTION

Douglas 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

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

| | | Total for All Funds (Memo Only) | 001 General | 102 CRIME VICTIMS | 104 LAW LIBRARY |
|---|-------------------------------------|--|--------------------|------------------------------|----------------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 37,946,615 | 461,873 | 38,205 | 8,372 |
| 30880 | Unreserved | 8,877,564 | 6,850,585 | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | 22,386,435 | 14,489,348 | - | - |
| 320 | Licenses and Permits | 1,124,333 | 17,188 | - | - |
| 330 | Intergovernmental Revenues | 12,992,169 | 1,602,261 | 91,477 | - |
| 340 | Charges for Goods and Services | 6,736,139 | 1,629,325 | 31,537 | 10,413 |
| 350 | Fines and Penalties | 799,200 | 795,835 | - | - |
| 360 | Miscellaneous Revenues | 4,588,771 | 1,100,699 | - | - |
| Total Revenues: | | 48,627,046 | 19,634,656 | 123,014 | 10,413 |
| Expenditures | | | | | |
| 510 | General Government | 8,206,109 | 6,428,075 | 72,962 | - |
| 520 | Public Safety | 8,971,806 | 7,897,618 | - | - |
| 530 | Utilities | 802,350 | - | - | - |
| 540 | Transportation | 10,718,749 | 125,000 | - | - |
| 550 | Natural and Economic Environment | 1,194,456 | 163,208 | - | - |
| 560 | Social Services | 10,444,242 | 168,977 | - | - |
| 570 | Culture and Recreation | 913,407 | 142,307 | - | 55 |
| Total Expenditures: | | 41,251,119 | 14,925,185 | 72,962 | 55 |
| Excess (Deficiency) Revenues over Expenditures: | | 7,375,927 | 4,709,471 | 50,052 | 10,358 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | 4,134,187 | - | - | - |
| 397 | Transfers-In | 3,551,292 | 80,000 | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | 26,510 | 26,849 | - | - |
| 381, 395, 398 | Other Resources | 349,987 | 20,000 | - | - |
| Total Other Increases in Fund Resources: | | 8,061,977 | 126,849 | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 6,970,270 | 5,170 | - | - |
| 591-593, 599 | Debt Service | 1,026,470 | 1,287 | - | - |
| 597 | Transfers-Out | 3,551,292 | 2,653,268 | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | 269,502 | 204,663 | - | - |
| Total Other Decreases in Fund Resources: | | 11,817,535 | 2,864,388 | - | - |
| Increase (Decrease) in Cash and Investments: | | 3,620,369 | 1,971,932 | 50,052 | 10,358 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 39,364,580 | 499,619 | 88,257 | 18,730 |
| 5088000 | Unreserved | 11,079,967 | 8,784,772 | - | - |
| Total Ending Cash and Investments | | 50,444,547 | 9,284,390 | 88,257 | 18,730 |

The accompanying notes are an integral part of this statement.

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

| | | 105 NCWFAIR | 106 FAIR LIVESTOCK SALE | 109 TREAS M&O | 112 AUD M & O |
|---|-------------------------------------|--------------------|--|------------------------------|--------------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 3,193 | - | 111,849 | 94,661 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | 33,524 | - | - | 50,987 |
| 340 | Charges for Goods and Services | 98,320 | 20,125 | 7,065 | 26,672 |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 153,435 | 233,020 | 2,285 | 1,197 |
| Total Revenues: | | 285,279 | 253,145 | 9,350 | 78,856 |
| Expenditures | | | | | |
| 510 | General Government | - | - | 17,068 | 69,835 |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | 422,901 | 233,175 | - | - |
| Total Expenditures: | | 422,901 | 233,175 | 17,068 | 69,835 |
| Excess (Deficiency) Revenues over Expenditures: | | (137,622) | 19,970 | (7,718) | 9,021 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | 120,542 | - | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | 20,217 | - | - | - |
| Total Other Increases in Fund Resources: | | 140,759 | - | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | - | - |
| 591-593, 599 | Debt Service | 48 | - | - | - |
| 597 | Transfers-Out | - | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | 20,000 | - | - | - |
| Total Other Decreases in Fund Resources: | | 20,048 | - | - | - |
| Increase (Decrease) in Cash and Investments: | | (16,911) | 19,970 | (7,718) | 9,021 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | - | 19,970 | 104,131 | 103,682 |
| 5088000 | Unreserved | (13,718) | - | - | - |
| Total Ending Cash and Investments | | (13,718) | 19,970 | 104,131 | 103,682 |

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

| | | 114 WSU PUB | 118 PATHS AND TRAILS | 119 COUNTY ROAD | 120 VET'S REL |
|---|----------------------------------|--------------------|-----------------------------|------------------------|----------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 78,811 | 20,380 | 3,642,121 | 106,797 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | 6,201,452 | 68,222 |
| 320 | Licenses and Permits | - | - | 156,487 | - |
| 330 | Intergovernmental Revenues | 9,070 | 19,283 | 5,419,187 | 1 |
| 340 | Charges for Goods and Services | 30,345 | - | 658,108 | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 2,648 | 455 | 34,769 | 311 |
| Total Revenues: | | 42,062 | 19,738 | 12,470,003 | 68,534 |
| Expenditures | | | | | |
| 510 | General Government | - | - | 106,526 | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | 8,443,284 | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | 20,061 |
| 570 | Culture and Recreation | 51,537 | - | - | - |
| Total Expenditures: | | 51,537 | - | 8,549,810 | 20,061 |
| Excess (Deficiency) Revenues over Expenditures: | | (9,474) | 19,738 | 3,920,193 | 48,473 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | 461,099 | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | 1 | - | (216) | - |
| 381, 395, 398 | Other Resources | - | - | 38,390 | - |
| Total Other Increases in Fund Resources: | | 1 | - | 499,273 | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | 2,303,674 | - |
| 591-593, 599 | Debt Service | - | - | 534,048 | - |
| 597 | Transfers-Out | - | 11,099 | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | - | 11,099 | 2,837,722 | - |
| Increase (Decrease) in Cash and Investments: | | (9,474) | 8,639 | 1,581,744 | 48,473 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 69,336 | 29,019 | 5,223,865 | 155,269 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 69,336 | 29,019 | 5,223,865 | 155,269 |

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

| | | 121 ELEC RES | 122 CAAP | 126 LAW AND JUSTICE | 127 CUMUL RES |
|---|----------------------------------|---------------------|-----------------|----------------------------|----------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 983,246 | 320,193 | - | 39,428 |
| 30880 | Unreserved | - | - | (5,488) | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | 9,572 | 613,199 | 505,834 | - |
| 340 | Charges for Goods and Services | 118,993 | - | 9,381 | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 4,676 | - | - | 17 |
| Total Revenues: | | 133,241 | 613,199 | 515,215 | 17 |
| Expenditures | | | | | |
| 510 | General Government | 1,013 | - | 268,052 | 5,399 |
| 520 | Public Safety | - | - | 294,711 | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | 1,013 | - | 562,763 | 5,399 |
| Excess (Deficiency) Revenues over Expenditures: | | 132,228 | 613,199 | (47,548) | (5,382) |
| 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 | 184,663 | - | - | - |
| Total Other Increases in Fund Resources: | | 184,663 | - | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 6,757 | - | - | - |
| 591-593, 599 | Debt Service | - | - | - | - |
| 597 | Transfers-Out | - | 450,000 | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | 44,839 | - | - | - |
| Total Other Decreases in Fund Resources: | | 51,596 | 450,000 | - | - |
| Increase (Decrease) in Cash and Investments: | | 265,295 | 163,199 | (47,548) | (5,382) |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 1,248,542 | 483,392 | - | 34,046 |
| 5088000 | Unreserved | - | - | (53,036) | - |
| Total Ending Cash and Investments | | 1,248,542 | 483,392 | (53,036) | 34,046 |

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

| | | 128 DRUG | 129 NCW BEH HEALTH | 130 DEV DISABILITIES | 131 BEHAVIORAL HEALTH TAX |
|---|-------------------------------------|-----------------|-------------------------------|---------------------------------|--|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 37,664 | 9,054,445 | 461,669 | - |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | 1,517 | 67,993 | 67,129 |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | 3,258,094 | 1,205,489 | - |
| 340 | Charges for Goods and Services | - | 310,660 | 102,927 | - |
| 350 | Fines and Penalties | 3,365 | - | - | - |
| 360 | Miscellaneous Revenues | - | 96,907 | - | - |
| Total Revenues: | | 3,365 | 3,667,178 | 1,376,410 | 67,129 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | 24,886 | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | 8,632,029 | 1,623,174 | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | 24,886 | 8,632,029 | 1,623,174 | - |
| Excess (Deficiency) Revenues over Expenditures: | | (21,521) | (4,964,851) | (246,765) | 67,129 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | 12,575 | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | 23,900 | - | - |
| Total Other Increases in Fund Resources: | | - | 36,475 | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | 1,635,095 | - | - |
| 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: | | - | 1,635,095 | - | - |
| Increase (Decrease) in Cash and Investments: | | (21,521) | (6,563,471) | (246,765) | 67,129 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 16,143 | 2,490,974 | 214,905 | 67,129 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 16,143 | 2,490,974 | 214,905 | 67,129 |

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

| | | 133 BOAT SAFE | 144 CW SOLID WASTE | 146 PROBATION | 147 RISK POOL |
|---|----------------------------------|----------------------|---------------------------|----------------------|----------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 5,834 | 613,068 | 45,151 | - |
| 30880 | Unreserved | | | | 585,508 |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | 32,430 | 105,213 | - | - |
| 340 | Charges for Goods and Services | - | 328,268 | 164,512 | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 3,057 | 14,195 | 27,106 | 357,160 |
| Total Revenues: | | 35,486 | 447,676 | 191,618 | 357,160 |
| Expenditures | | | | | |
| 510 | General Government | - | - | 100,157 | 328,030 |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | 329,964 | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | 37,072 | - | - | - |
| Total Expenditures: | | 37,072 | 329,964 | 100,157 | 328,030 |
| Excess (Deficiency) Revenues over Expenditures: | | (1,585) | 117,712 | 91,461 | 29,130 |
| 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: | | (1,585) | 117,712 | 91,461 | 29,130 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 4,249 | 730,779 | 136,613 | |
| 5088000 | Unreserved | | | | 614,638 |
| Total Ending Cash and Investments | | 4,249 | 730,779 | 136,613 | 614,638 |

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

| | | 152 RETIRE CONT | 157 CEERP | 158 CO COM DEV | 161 LEGAL OBL |
|---|----------------------------------|----------------------------|------------------|---------------------------|----------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 93,366 | 947,303 | 156,749 | 25,697 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | 2,471 |
| 340 | Charges for Goods and Services | - | 12,339 | 44,174 | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | 167,826 | - | - |
| Total Revenues: | | - | 180,165 | 44,174 | 2,471 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | 400 |
| 520 | Public Safety | - | 8,890 | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | 21,229 | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | 8,890 | 21,229 | 400 |
| Excess (Deficiency) Revenues over Expenditures: | | - | 171,275 | 22,945 | 2,071 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | 141,498 | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | - |
| Total Other Increases in Fund Resources: | | - | 141,498 | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | 293,014 | - | - |
| 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: | | - | 293,014 | - | - |
| Increase (Decrease) in Cash and Investments: | | - | 19,759 | 22,945 | 2,071 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 93,366 | 967,063 | 179,694 | 27,768 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 93,366 | 967,063 | 179,694 | 27,768 |

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

| | | 163 BUILD MAIN | 164 DV ADVOC | 165 COURT IMP | 167 FAIR DRIV |
|---|----------------------------------|---------------------------|---------------------|----------------------|----------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | - | 1,595 | 46,578 | 687 |
| 30880 | Unreserved | 1,648,396 | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | 23,201 | - |
| 340 | Charges for Goods and Services | - | 701 | - | 400 |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 21,073 | - | - | - |
| Total Revenues: | | 21,073 | 701 | 23,201 | 400 |
| Expenditures | | | | | |
| 510 | General Government | - | - | 289 | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | 1 |
| Total Expenditures: | | - | - | 289 | 1 |
| Excess (Deficiency) Revenues over Expenditures: | | 21,073 | 701 | 22,912 | 399 |
| 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 | - | - | 50,000 | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | - | - | 50,000 | - |
| Increase (Decrease) in Cash and Investments: | | 21,073 | 701 | (27,088) | 399 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | - | 2,296 | 19,490 | 1,086 |
| 5088000 | Unreserved | 1,669,469 | - | - | - |
| Total Ending Cash and Investments | | 1,669,469 | 2,296 | 19,490 | 1,086 |

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

| | | 168 HOMELESS | 169 HIST PRES | 170 DV PREVENT | 171 HOST FEES |
|---|----------------------------------|---------------------|----------------------|---------------------------|----------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 105,893 | 85,315 | 3,407 | 1,131,136 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | 156,911 |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | 249,188 | 7,984 | 657 | 18,829 |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | - | - | 21,243 |
| Total Revenues: | | 249,188 | 7,984 | 657 | 196,983 |
| Expenditures | | | | | |
| 510 | General Government | - | 5,142 | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | 167 |
| 550 | Natural and Economic Environment | 216,963 | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | 216,963 | 5,142 | - | 167 |
| Excess (Deficiency) Revenues over Expenditures: | | 32,225 | 2,842 | 657 | 196,816 |
| 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: | | 32,225 | 2,842 | 657 | 196,816 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 138,117 | 88,157 | 4,064 | 1,327,952 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 138,117 | 88,157 | 4,064 | 1,327,952 |

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

| | | 173 WM SCHOLAR | 174 NCW FAIR RACE HORSE | 176 DO CO JAIL | 177 PEST CONTROL |
|---|-------------------------------------|---------------------------|------------------------------------|-----------------------|-----------------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 10,380 | 7,360 | 4,546,851 | 1,993 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | 6,276 | - | - | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | 21,500 | - | 50,850 |
| Total Revenues: | | 6,276 | 21,500 | - | 50,850 |
| Expenditures | | | | | |
| 510 | General Government | 7,469 | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | 46,261 |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | 26,360 | - | - |
| Total Expenditures: | | 7,469 | 26,360 | - | 46,261 |
| Excess (Deficiency) Revenues over Expenditures: | | (1,193) | (4,860) | - | 4,589 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | 1,500,000 | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | - |
| Total Other Increases in Fund Resources: | | - | - | 1,500,000 | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | 1,160,002 | - |
| 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: | | - | - | 1,160,002 | - |
| Increase (Decrease) in Cash and Investments: | | (1,193) | (4,860) | 339,998 | 4,589 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 9,188 | 2,500 | 4,886,848 | 6,581 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 9,188 | 2,500 | 4,886,848 | 6,581 |

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

| | | 178 LOCAT TRIAL CRT | 179 E-REET ANNUAL REVAL | 182 DISPUTE RESOLUTION | 204 LGO BOND |
|---|-------------------------------------|--------------------------------|------------------------------------|-----------------------------------|---------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 29,463 | 28,000 | - | - |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | 10,877 | - | - |
| 340 | Charges for Goods and Services | 5,476 | 5,150 | 210 | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | - | - | - |
| Total Revenues: | | 5,476 | 16,027 | 210 | - |
| Expenditures | | | | | |
| 510 | General Government | - | - | 135 | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | - | 135 | - |
| Excess (Deficiency) Revenues over Expenditures: | | 5,476 | 16,027 | 75 | - |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | - | 344,350 |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | - |
| Total Other Increases in Fund Resources: | | - | - | - | 344,350 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | - | - |
| 591-593, 599 | Debt Service | - | - | - | 344,350 |
| 597 | Transfers-Out | - | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | - | - | - | 344,350 |
| Increase (Decrease) in Cash and Investments: | | 5,476 | 16,027 | 75 | - |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 34,939 | 44,027 | 75 | - |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 34,939 | 44,027 | 75 | - |

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

| | | 301 DISTRESS1 | 302 FAIR CAP RES | 303 CE CAP | 311 DISTRESS 2 |
|---|-------------------------------------|----------------------|-----------------------------|-------------------|-----------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 223,273 | 568 | 2,152,489 | 1,201,671 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | 477,265 | - | 536,243 | 477,265 |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | - | - | - | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 493 | - | 15 | 13,621 |
| Total Revenues: | | 477,758 | - | 536,258 | 490,886 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | - | - | - |
| Excess (Deficiency) Revenues over Expenditures: | | 477,758 | - | 536,258 | 490,886 |
| 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 | - | 44,839 | - | - |
| Total Other Increases in Fund Resources: | | - | 44,839 | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 2,010 | - | 594 | 472,901 |
| 591-593, 599 | Debt Service | - | - | - | - |
| 597 | Transfers-Out | 344,350 | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | 346,360 | - | 594 | 472,901 |
| Increase (Decrease) in Cash and Investments: | | 131,398 | 44,839 | 535,664 | 17,985 |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 354,671 | 45,407 | 2,688,153 | 1,219,656 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 354,671 | 45,407 | 2,688,153 | 1,219,656 |

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

| | | 314 POST ANNEXATION | 315 FINSFTIMPL | 318 PARKSIDE | 320 MILLER STREET CAP RES |
|---|-------------------------------------|--------------------------------|---------------------------|---------------------|--|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | 1,065,120 | 30,954 | 12,529 | 350,573 |
| 30880 | Unreserved | - | - | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | - | - | - |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | - | - | - | - |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | 18,810 | - | 47 | - |
| Total Revenues: | | 18,810 | - | 47 | - |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | - | - | - |
| 530 | Utilities | - | - | - | - |
| 540 | Transportation | - | - | - | - |
| 550 | Natural and Economic Environment | - | - | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | - | - | - |
| Excess (Deficiency) Revenues over Expenditures: | | 18,810 | - | 47 | - |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | - | - | - | - |
| 397 | Transfers-In | - | - | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | - | - |
| 381, 395, 398 | Other Resources | - | - | - | - |
| Total Other Increases in Fund Resources: | | - | - | - | - |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | - | - | - | - |
| 591-593, 599 | Debt Service | - | - | - | - |
| 597 | Transfers-Out | - | - | 12,575 | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | - | - | 12,575 | - |
| Increase (Decrease) in Cash and Investments: | | 18,810 | - | (12,528) | - |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 1,083,930 | 30,954 | - | 350,573 |
| 5088000 | Unreserved | - | - | - | - |
| Total Ending Cash and Investments | | 1,083,930 | 30,954 | - | 350,573 |

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

| | | 321 L AND J BLDG | 403 LAND USE & BUILDING SERVICES | 404 STORM WATER UTILITY | 501 ER&R |
|---|-------------------------------------|-----------------------------|---|------------------------------------|---------------------|
| Beginning Cash and Investments | | | | | |
| 30810 | Reserved | - | - | 4,924,778 | 2,402,021 |
| 30880 | Unreserved | - | 1,369,646 | - | - |
| 388 / 588 | Prior Period Adjustments, Net | - | - | - | - |
| Revenues | | | | | |
| 310 | Taxes | - | - | - | - |
| 320 | Licenses and Permits | - | 793,747 | - | - |
| 330 | Intergovernmental Revenues | - | - | - | - |
| 340 | Charges for Goods and Services | - | 611,521 | 1,176,485 | 699,271 |
| 350 | Fines and Penalties | - | - | - | - |
| 360 | Miscellaneous Revenues | - | 217 | 101,915 | 2,139,226 |
| Total Revenues: | | - | 1,405,485 | 1,278,400 | 2,838,497 |
| Expenditures | | | | | |
| 510 | General Government | - | - | - | - |
| 520 | Public Safety | - | 745,702 | - | - |
| 530 | Utilities | - | - | 472,386 | - |
| 540 | Transportation | - | - | - | 2,150,298 |
| 550 | Natural and Economic Environment | - | 746,794 | - | - |
| 560 | Social Services | - | - | - | - |
| 570 | Culture and Recreation | - | - | - | - |
| Total Expenditures: | | - | 1,492,496 | 472,386 | 2,150,298 |
| Excess (Deficiency) Revenues over Expenditures: | | - | (87,011) | 806,014 | 688,199 |
| Other Increases in Fund Resources | | | | | |
| 391-393, 596 | Debt Proceeds | 4,134,187 | - | - | - |
| 397 | Transfers-In | - | 280,975 | - | - |
| 385 | Special or Extraordinary Items | - | - | - | - |
| 386 / 389 | Custodial Activities | - | - | (123) | - |
| 381, 395, 398 | Other Resources | - | - | - | 17,978 |
| Total Other Increases in Fund Resources: | | 4,134,187 | 280,975 | (123) | 17,978 |
| Other Decreases in Fund Resources | | | | | |
| 594-595 | Capital Expenditures | 224,606 | - | 132,215 | 734,232 |
| 591-593, 599 | Debt Service | 28,950 | - | 89,135 | 28,652 |
| 597 | Transfers-Out | - | - | - | - |
| 585 | Special or Extraordinary Items | - | - | - | - |
| 586 / 589 | Custodial Activities | - | - | - | - |
| 581 | Other Uses | - | - | - | - |
| Total Other Decreases in Fund Resources: | | 253,556 | - | 221,350 | 762,884 |
| Increase (Decrease) in Cash and Investments: | | 3,880,631 | 193,964 | 584,541 | (56,707) |
| Ending Cash and Investments | | | | | |
| 5081000 | Reserved | 3,880,631 | - | 5,509,319 | 2,345,314 |
| 5088000 | Unreserved | - | 1,563,610 | - | - |
| Total Ending Cash and Investments | | 3,880,631 | 1,563,610 | 5,509,319 | 2,345,314 |

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

| | | 502 UECOMP | 503 MANAGEMENT INFO SYS |
|---|----------------------------------|-------------------|--|
| Beginning Cash and Investments | | | |
| 30810 | Reserved | - | - |
| 30880 | Unreserved | 503,779 | 159,042 |
| 388 / 588 | Prior Period Adjustments, Net | - | - |
| Revenues | | | |
| 310 | Taxes | - | - |
| 320 | Licenses and Permits | - | - |
| 330 | Intergovernmental Revenues | - | - |
| 340 | Charges for Goods and Services | 73,685 | 277,140 |
| 350 | Fines and Penalties | - | - |
| 360 | Miscellaneous Revenues | - | - |
| Total Revenues: | | 73,685 | 277,140 |
| Expenditures | | | |
| 510 | General Government | 38,431 | 757,127 |
| 520 | Public Safety | - | - |
| 530 | Utilities | - | - |
| 540 | Transportation | - | - |
| 550 | Natural and Economic Environment | - | - |
| 560 | Social Services | - | - |
| 570 | Culture and Recreation | - | - |
| Total Expenditures: | | 38,431 | 757,127 |
| Excess (Deficiency) Revenues over Expenditures: | | 35,254 | (479,987) |
| Other Increases in Fund Resources | | | |
| 391-393, 596 | Debt Proceeds | - | - |
| 397 | Transfers-In | - | 610,253 |
| 385 | Special or Extraordinary Items | - | - |
| 386 / 389 | Custodial Activities | - | - |
| 381, 395, 398 | Other Resources | - | - |
| Total Other Increases in Fund Resources: | | - | 610,253 |
| Other Decreases in Fund Resources | | | |
| 594-595 | Capital Expenditures | - | - |
| 591-593, 599 | Debt Service | - | - |
| 597 | Transfers-Out | - | 30,000 |
| 585 | Special or Extraordinary Items | - | - |
| 586 / 589 | Custodial Activities | - | - |
| 581 | Other Uses | - | - |
| Total Other Decreases in Fund Resources: | | - | 30,000 |
| Increase (Decrease) in Cash and Investments: | | 35,254 | 100,266 |
| Ending Cash and Investments | | | |
| 5081000 | Reserved | - | - |
| 5088000 | Unreserved | 539,032 | 259,308 |
| Total Ending Cash and Investments | | 539,032 | 259,308 |

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

| | | Total for All Funds (Memo Only) | Private-Purpose Trust | Agency |
|-----------|---|--|----------------------------------|---------------|
| 308 | Beginning Cash and Investments | 80,464,611 | 26,318 | 80,438,294 |
| 388 & 588 | Prior Period Adjustment, Net | - | - | - |
| 310-390 | Additions | 190,353,630 | 15,485 | 190,338,145 |
| 510-590 | Deductions | 182,853,283 | 11,978 | 182,841,305 |
| | Net Increase (Decrease) in Cash and Investments: | 7,500,347 | 3,508 | 7,496,840 |
| 508 | Ending Cash and Investments | 87,964,958 | 29,825 | 87,935,133 |

The accompanying notes are an integral part of this statement.

Douglas County, Washington

Notes to the Financial Statements

December 31, 2018

Note 1. Summary of Significant Accounting Policies

Douglas County, Washington, was incorporated on November 28, 1883 and operates under the laws of the State of Washington applicable to a fourth class county. The county is a general-purpose government and provides planning and zoning, public safety, road improvement, judicial administration, health and social services, and general administrative services.

The County reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles 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 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. Basis of Presentation - 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, 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 Funds

The General Fund is the general operating and administrative fund of the County. It accounts for all financial resources and transactions except those required to be accounted for in another fund.

Special Revenue Funds account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted by agreements or state statutes to expenditures for specific purposes. The County's special revenue funds account for operations such as roads, health and social services.

Debt Service Funds account for the accumulation of resources to pay principal, interest, and related costs on general long-term debt.

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

Proprietary Funds

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

Internal Service Funds account for operations that provide goods or services to other departments or funds of the County or to other governmental units on a cost-reimbursement basis.

Fiduciary Funds are used to account for assets held by the County in a trustee capacity on behalf of others.

Private Purpose Trust Funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Custodial Funds are used to account assets that the County holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Financial Statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year budget appropriations as required by state law. In accordance with state law the county also recognized expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

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

This prescribed cash basis accounting is a departure from generally accepted accounting principles (GAAP).

C. Cash and Investments

It is the County's policy to invest all temporary cash surpluses. This amount is included in the net cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is credited to the General Fund. See Note 3

D. Interfund Loans

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." A separate schedule of interfund loans receivable and payable is furnished in Note 10.

E. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The county records all accumulated unused vacation and sick leave. The balances at year-end are carried over into the following year.

Vacation pay, which may be accumulated up to 320 hours, is payable upon resignation, retirement or death. Sick leave may accumulate up to 960 hours. Upon resignation, retirement or death, any sick leave accrued over 720 hours up to 960 hours will be paid. Payments are recognized as expenditures when paid.

F. Long-Term Debt - See Note 8.

G. Capital Assets

Capital assets are long-lived assets of the county with an initial individual cost of more than \$5,000. Capital assets and inventory are recorded as expenditures when purchased.

H. Reserved Fund Balance

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 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 the following:

| Fund Type/Purpose | Reserved by External Party | Restriction Reference | Reserved by Board Action |
|---------------------------------------|---------------------------------------|---|-------------------------------------|
| <i>General Fund:</i> | | | |
| Capital Projects | | RESOLUTION 04-54 | 246,062 |
| Land Fill Closure/Monitoring | | RESOLUTION PW 90-95 | 10,219 |
| Employee Buyouts | | RESOLUTION CE 14-45 | 150,000 |
| Technology | | RESOLUTION CE 14-44 | 93,337 |
| <i>Special Revenue:</i> | | | |
| Crime Victims | 88,257 | RCW 7.68.035 | |
| Law Library | 18,730 | RCW 27.24.070 | |
| NCW Fair Livestock Sale | | RESOLUTION CE 18-31 | 19,970 |
| Treasurer M and O | 104,131 | RCW 86.54.020 (9) | |
| Auditor's M and O | 103,682 | RCW 36.22.170 | |
| WSU Publications Sales and Classes | | RESOLUTION CE 98-018 | 69,336 |
| Paths and Trails | 29,019 | RCW 47.30.050 | |
| County Road | 5,223,865 | RCW 36.82.020 funded by taxes and grants | |
| Veteran Relief | 155,269 | RCW 73.08.010 | |
| Election Reserve | 1,248,542 | RCW 36.33.200 | |
| CAPP | 483,392 | WAC 136-300-080 | |
| Cumulative Health Reserve | | RESOLUTION CE 86-26 | 34,046 |
| Drug Reserve | 16,143 | RCW 10.105.010 7c | |
| Chelan Douglas RSN-Mental Health | 2,490,974 | WAC 388-865-0232 | |
| Developmental Disabilities | 214,905 | RCW 71A | |
| Behavioral Health Tax | 67,129 | RCW 71.20.110 | |
| Boating Safety | 4,249 | RCW 88.02.650 | |
| County Wide Solid Waste | 730,779 | RCW 36.58 | |
| Probation Assessment | 136,613 | RCW 10.64.120 and AGO 1968 No. 17 - May 02, 1968 | |
| County Risk Pool | | RESOLUTION CE 03-54 | 614,638 |
| Retirement Contingency | | RESOLUTION CE 99-077 | 93,366 |
| Equipment Replacement | | RESOLUTION CE 02-10 | 967,063 |
| County Community Development | 179,694 | RCW 36.22.178 | |
| Legal Financial Obligations | 27,768 | RCW 9.94a.760 | |
| Building Maintenance | | RESOLUTION 04-84 | 1,669,469 |
| Domestic Court Advocate | 2,296 | RCW 26.12.220 | |
| Trial Court Improvement | 19,490 | RCW 3.58.060 | |
| NCW Fair Driving Range | | RESOLUTION 05-65 | 1,086 |
| Low Income housing | 138,117 | RCW 36.22.179 | |
| Historical Preservation | 88,157 | RCW 36.22.170 | |
| Local Domestic Violence Prevent. | 4,064 | RCW 10.99.080 | |

| | | | |
|--|-----------|--|-----------|
| Host Fee | 1,327,952 | Host Agreement 07282004 , as amended | |
| Waste Management Scholarship | 9,188 | Host Agreement 07282004 , as amended | |
| NCW Fair Race Sponsorship | | RESOLUTION CE 09-70 | 2,500 |
| Douglas County Jail | | RESOLUTION CE 10-31 | 4,886,848 |
| Pest Control | 6,581 | RCW 15.09.050, 15.09.131 and 15.09.135 | |
| Local Trial Court | 34,939 | SB5941, RCW 3.62.030 and 3.62.060 | |
| E-REET Annual Reval | 44,027 | RCW 65.24 | |
| Dispute Resolution | 75 | RCW 7.75.035 | |
| <i>Capital Projects:</i> | | | |
| Public Facilities in Rural Counties | 1,574,327 | RCW 82.14.370(3) and RCW 82.14.370(5) | |
| Local Capital Projects | 2,688,153 | RCW 82.46.030 | |
| Capital Projects within the Roads Fund | | RESOLUTION TLS 06-14 | 1,083,930 |
| Financial Software Implementation | | RESOLUTION CE 06-10 | 30,954 |
| NCW Fair Capital Projects | | RESOLUTION CE 18-32 | 45,406 |
| Law and Justice Building | | RESOLUTION CE 18-51 | 3,880,631 |
| Capital Projects within the General Fund | | RESOLUTION 15-30 | 350,573 |
| Storm Water Utility | 5,509,319 | RCW 36.89.080 | |
| Equipment Rental and Revolving | 2,345,314 | RCW 36.33A | |

Note 2. Budget Compliance

1. Scope of Budget

The County adopts annual appropriated budgets for the general, special revenue, debt service, capital projects, and proprietary funds. Annual appropriated budgets are adopted at the level of the fund, except in the General Fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the authority for expenditures at that level. Appropriations for these funds lapse at year-end.

Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

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

| | Fund/Department | Final Appropriated Amounts | Actual Expenditures | Variance |
|-----|---------------------------|----------------------------------|------------------------|-----------|
| 001 | General Fund | | | |
| 2 | WSU | 142,535 | 142,307 | 228 |
| 3 | ASSESSOR | 774,414 | 731,698 | 42,716 |
| 5 | ALCOHOL C | 2,800 | 2,031 | 769 |
| 6 | CLERK | 380,496 | 363,266 | 17,230 |
| 7 | CIVIL SERV | 14,783 | 11,632 | 3,151 |
| 8 | COMM | 427,136 | 425,008 | 2,129 |
| 9 | FACILITIES | 376,317 | 279,385 | 96,932 |
| 10 | DISAB BRD | 2,000 | | 2,000 |
| 11 | BOUNDARY R | 9,270 | 9,204 | 66 |
| 13 | ELECTIONS | 405,872 | 299,105 | 106,767 |
| 16 | BOE | 7,557 | 3,013 | 4,544 |
| 18 | INTRPSVCS | 125,422 | 123,644 | 1,778 |
| 19 | DIST CRT | 876,927 | 853,976 | 22,951 |
| 20 | JUVENILE | 528,913 | 481,220 | 47,693 |
| 21 | NONDEPT | 4,476,571 | 3,921,939 | 554,632 |
| 25 | AG SUPPORT | 113,525 | 29,336 | 84,189 |
| 26 | PROSECUTOR | 750,544 | 661,377 | 89,167 |
| 28 | SHERIFF | 4,833,053 | 4,555,205 | 277,848 |
| 29 | SUPER CRT | 365,553 | 348,099 | 17,454 |
| 30 | TREASURER | 436,542 | 430,929 | 5,613 |
| 31 | HEALTH SER | 166,946 | 166,946 | 0 |
| 36 | AUDITOR | 548,241 | 547,209 | 1,032 |
| 37 | ANIMAL CTL | 113,000 | 100,413 | 12,587 |
| 38 | REG JUVE J | 390,000 | 337,140 | 52,860 |
| 39 | REG JAIL | 1,300,000 | 805,084 | 494,916 |
| 40 | RIVERCOM | 1,603,017 | 1,711,032 | -108,015 |
| 41 | ADMIN SERV | 459,886 | 425,112 | 34,774 |
| 124 | SOLID WST | 28,000 | 24,255 | 3,745 |
| 155 | LOCAL GOV | 1,432,551 | 7 | 1,432,544 |
| | Total General Fund | 21,091,871 | 17,789,573 | 3,302,298 |
| 102 | CV COMP | 78,817 | 72,962 | 5,855 |
| 104 | LAW LIBR | 14,000 | 55 | 13,945 |
| 105 | FAIR | 454,261 | 442,949 | 11,312 |
| 106 | LIVESTOCK | 233,175 | 233,175 | 0 |
| 109 | TREAS M&O | 28,162 | 17,068 | 11,094 |
| 112 | AUD M & O | 123,536 | 69,835 | 53,701 |
| 114 | WSU PUB | 51,483 | 51,537 | -54 |
| 118 | P&T | 17,500 | 11,099 | 6,401 |
| 119 | CR | 16,734,834 | 11,387,532 | 5,347,302 |
| 120 | VET'S REL | 60,000 | 20,061 | 39,939 |
| 121 | ELEC RES | 57,000 | 52,609 | 4,391 |
| 122 | CAPP | 450,000 | 450,000 | 0 |

| | | | | |
|-----|------------|------------|------------|-----------|
| 126 | L & J | 633,209 | 562,763 | 70,446 |
| 127 | CUMUL RES | 39,435 | 5,399 | 34,037 |
| 128 | DRUG | 44,741 | 24,886 | 19,855 |
| 129 | RSN | 12,722,684 | 10,267,124 | 2,455,560 |
| 130 | DD | 1,887,220 | 1,623,174 | 264,046 |
| 133 | BOAT SAFE | 37,074 | 37,072 | 2 |
| 144 | CW S.W. | 361,892 | 329,964 | 31,928 |
| 146 | PROBATION | 110,791 | 100,157 | 10,634 |
| 147 | RISK POOL | 377,119 | 328,030 | 49,089 |
| 152 | RET CONT | 93,366 | | 93,366 |
| 157 | CEERP | 361,387 | 301,903 | 59,484 |
| 158 | CO COM DEV | 95,000 | 21,229 | 73,771 |
| 161 | LEGAL OBL | 6,018 | 400 | 5,618 |
| 163 | BUILD MAIN | 500,000 | | 500,000 |
| 165 | COURT IMP | 50,000 | 50,289 | -289 |
| 167 | FAIR DRIV | 500 | 1 | 499 |
| 168 | HOMELESS | 300,000 | 216,963 | 83,037 |
| 169 | HIST PRES | 40,000 | 5,142 | 34,858 |
| 171 | HOSTFEES | 170 | 167 | 3 |
| 173 | WM SCHOLAR | 16,700 | 7,469 | 9,231 |
| 174 | FAIRRACESP | 26,360 | 26,360 | 0 |
| 176 | DO CO JAIL | 1,200,000 | 1,160,002 | 39,998 |
| 177 | PEST CONTR | 50,000 | 46,261 | 3,739 |
| 182 | DISPUTERES | | 135 | -135 |
| 204 | LGO BOND | 349,250 | 344,350 | 4,900 |
| 301 | DISTRESS1 | 350,000 | 346,360 | 3,640 |
| 302 | FAIR CAP | 568 | | 568 |
| 303 | CE CAP | 800,000 | 594 | 799,406 |
| 311 | DISTRESS 2 | 500,000 | 472,901 | 27,099 |
| 315 | FINSFTIMPL | 30,954 | | 30,954 |
| 318 | PARKSIDEPR | 25,023 | 12,575 | 12,448 |
| 321 | LANDJ BLDG | 1,000,000 | 253,556 | 746,444 |
| 403 | LUB | 1,714,243 | 1,492,497 | 221,746 |
| 404 | SWU | 4,555,274 | 693,736 | 3,861,538 |
| 501 | ERR | 4,418,376 | 2,913,182 | 1,505,194 |
| 502 | UECOMP | 150,000 | 38,431 | 111,569 |
| 503 | MIS | 852,392 | 787,127 | 65,265 |

2. Procedures for Adopting the Original Budget

The County's budget procedures are mandated by RCW 36.40. The steps in the budget process are as follows:

- a. The County Auditor submits a proposed budget to the County Commission. This budget is based on priorities established by the Commission and estimates provided by County departments during

the preceding months, and balanced with revenue estimates made by the County Treasurer.

- b. The Commission conducts public hearings on the proposed budget in December.
- c. The Commission makes its adjustments to the proposed budget and adopts by resolution a final balanced budget no later than December 31.

3. Amending the Budget

The County Auditor is authorized to transfer budget amounts within departments within any fund; however, any revisions that alter the total expenditures of the county, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment, or capital expenditures must be approved by the County Commission.

When the County Commission determines that it is in the best interest of the County to increase or decrease the appropriation for a particular fund/department/object class it may do so by resolution approved by a simple majority after holding two public hearings.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

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

Note 3. 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. As required by state law, all deposits and investments of the County's funds are obligations of the U.S. Government or deposits with Washington State banks and savings and loan institutions. Investments are valued at cost.

Investments are reported at original cost. As of December 31, 2018, the county had the following investments:

| 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. | \$23,059,852 | \$74,202,096 | \$97,261,948 |
| US. Government Securities | 6,386,081 | 6,618,082 | 13,004,163 |
| Money Market and CD's | 17,000,000 | 3,286,182 | 20,286,182 |
| Total | \$46,445,933 | \$84,106,360 | \$130,552,293 |

Certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in the multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). All investments are insured, registered, or held by the County or its agent in the government's name.

Management intends to hold the time deposits and securities until maturity.

The County has a compensating balance agreement with UMPQUA Bank in lieu of payments for services rendered. The following is the average compensating balance maintained during the year:

| Month | Average Positive Collected Balance |
|-----------|------------------------------------|
| January | 4,253,925 |
| February | 3,425,353 |
| March | 3,665,538 |
| April | 3,389,245 |
| May | 3,292,646 |
| June | 3,665,462 |
| July | 3,339,082 |
| August | 3,737,801 |
| September | 4,556,844 |
| October | 4,744,662 |
| November | 4,306,511 |
| December | 3,365,346 |
| Average | 3,811,868 |

Note 4. Property Taxes

The County Treasurer collects property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property Tax Calendar

- January 1 Taxes are levied and become an enforceable lien against properties.
- February 14 Tax bills are mailed.
- April 30 First of two equal installment payments is due.

May 31 Assessed value of property established for next year's levy at 100 percent of market value.

October 31 Second installment is due.

Property tax revenues are recognized when cash is received. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied. The County may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services, subject to the limitations in the Washington State Constitution and Washington State Law in RCW 84.55.010.

The county's regular levy for 2018 was \$1.159892 per \$1,000 on an assessed valuation of \$5,442,637,929 for a total regular levy of \$ 6,312,872.

The county's levy for road purposes for 2018 was \$1.551266 per \$1,000 on an assessed valuation of \$3,973,421,614 for a total county road levy of \$2,022,526.

Note 5. 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 provided 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 120 active plan members and 20 retired plan members as of December 31, 2018. The County contributed \$1,526,832 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 41.26.030(22). The plan pays for 100% of the eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2018, the plan had 4 members. For the year ended December 31, 2018 the county paid \$34,595 in benefits.

Note 6. Pension Plans

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

on a system-wide basis and is not considered pertinent to the counties financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. Historical trend and other information regarding each plan are presented in the State Department of Retirement Systems 2018 annual financial report. A copy of this report may be obtained at:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98540-8380

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

The County also participates 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, 2018, the county's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

| Plan | Employer Contributions | Allocation Percentage | Liability/(Asset) |
|---------------------|------------------------|-----------------------|-------------------|
| PERS 1 | 56,241.37 | 0.008414% | 375,772.10 |
| PERS 1 UAAL | 455,312.89 | 0.068117% | 3,042,128.38 |
| PERS 2 and 3 | 659,910.59 | 0.085524% | 1,460,246.18 |
| Public Safety ERS 2 | 10,712.16 | 0.040562% | 502.56 |
| LEOFF 1 | 0.00 | 0.009332% | (169,422.65) |
| LEOFF 2 | 136,841.49 | 0.078912% | (1,602,085.63) |
| VFFRPF | 150.00 | 0.070000% | (38,685.21) |

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. Deferred Compensation Plan

The County offers its employees three deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administrated by Hartford, Washington State Deferred Compensation Plan, and Nationwide Deferred Compensation. The plans, available to all employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, an unforeseeable emergency or as required by law.

Compensation deferred under the plans and all income attributable to the plans is solely the property of the County. The County's rights to this property are subject only to the claims of the county's general creditors until paid to the employee or other beneficiary and are not restricted to the benefit provisions under the plan.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is highly unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Note 8. Long-Term Debt

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 PW Trust Fund loans are as follows:

| Year Ending December 31 | GO BONDS | | PW Trust Fund | | Total Debt |
|----------------------------|---------------------|--------------------|------------------|-----------------|---------------------|
| | Principal | Interest | Principal | Interest | |
| 2019 | 720,000 | 462,582 | 85,674 | 3,033 | 1,271,288 |
| 2020 | 750,000 | 423,588 | 85,674 | 2,604 | 1,261,866 |
| 2021 | 775,000 | 400,228 | 85,674 | 2,176 | 1,263,077 |
| 2022 | 800,000 | 373,648 | 85,674 | 1,747 | 1,261,069 |
| 2023 | 835,000 | 345,728 | 85,674 | 1,319 | 1,267,721 |
| 2024-2028 | 4,085,000 | 1,257,913 | 178,140 | 1,526 | 5,522,578 |
| 2029-2033 | 1,770,000 | 633,418 | 0 | 0 | 2,403,418 |
| 2034-2038 | 995,000 | 349,863 | 0 | 0 | 1,344,863 |
| 2039-2042 | 965,000 | 111,150 | 0 | 0 | 1,076,150 |
| Total | \$11,695,000 | \$4,358,114 | \$606,510 | \$12,405 | \$16,672,029 |

Note 9. Risk Management

Douglas 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, Douglas County selects a per-occurrence deductible of \$50,000.

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, Douglas 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.

Douglas 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 10. Interfund Transactions and Balances

The following table displays interfund loan activity during 2018:

| Borrowing Fund | Lending Fund | Balance 1/1/2018 | New Loans | Repayments | Balance 12/31/2018 |
|----------------------|---------------------|---------------------|-----------|------------|-----------------------|
| NCW Fair | General Fund | \$0 | \$20,000 | \$20,000 | \$0 |
| Friends of Fair | Election Reserve | 84,663 | 0 | 84,663.45 | 0 |
| Fair Capital Reserve | Election Reserve | 0 | 44,839 | 0 | 44,839 |
| Fin Software Implem | Election Reserve | 100,000 | 0 | 100,000 | 0 |
| TOTAL | | \$184,663 | \$64,839 | \$204,663 | \$44,839 |

Note 11. Joint Ventures

Douglas County participates in the following joint ventures:

The County and eight other counties; Stevens, Pend Oreille, Spokane, Adams, Asotin, Lincoln, Whitman, and Ferry, entered into an Interlocal Juvenile Detention Facility Agreement (Martin Hall) for the purchase and improvements to Martin Hall on the Eastern State Hospital campus, for use as a juvenile rehabilitation center. The County is responsible for paying its contracted bed rentals and its share of the bond floated for the purchase and improvements to the building. Lincoln County accounts for Martin Hall as an agency fund. Copies of Martin Hall's financial statements can be obtained from Lincoln County Auditor, 450 Logan Street, Davenport, Washington, 99122.

In 2002, Douglas County, Chelan County, the City of Wenatchee, and the City of East Wenatchee, entered into an Interlocal Cooperative Agreement under the authority of RCW Chapter 39.34 in order to provide for the joint exercise of their powers, privileges and authorities to operate a consolidated 911 emergency dispatch facility they named Rivercom. Rivercom began operations in July 2004, and serves as the Public Safety Answering Point for all of the law enforcement agencies in Chelan and Douglas counties, as well as for the vast majority of Fire and Emergency Medical Service agencies in the bicounty region. Douglas County is charged a user fee based on usage of Rivercom services as evidenced by either the number of radio logs and/or dispatched events. In 2018 Douglas County will account for Rivercom as an Agency fund and financial reports can be obtained from the Douglas County Auditor, PO Box 456, Waterville, Washington, 98858.

Note 12. Subsequent Events

Representatives of Chelan, Douglas, and Grant counties signed and submitted a binding letter of intent to become “mid-adopters” of healthcare integration in September of 2018 with a transition date for North Central Washington Behavioral Health organization (NCWBH) of December 31, 2018. Managed Care Organizations (MCOs) and an Administrative Service Organization (ASO) began oversight of the regional behavioral health network on January 1, 2018. NCWBH will dissolve at the conclusion of necessary close-out activities. As of the date of this report close-out activities were still on going with an expected ending date of November 30, 2019.

Note 13. Construction Projects

The County has active construction projects as of December 31, 2018. The construction of 35th Street NW and a rumble strip project both of which will be financed by grant funding and existing County Road revenue. Also, the County is constructing a new Law and Justice Building, funded through floating a \$4,000,000 bond and existing General Fund Revenue.

At year end the County’s commitments with contractors are as follows:

| Project | Spent to Date | Remaining Commitment |
|---------------------------------|----------------------|-----------------------------|
| 35TH Street NW | \$87,902 | \$1,606,079 |
| Rumble Strip Project | 3,620 | 40,442 |
| Law and Justice Building | 994,175 | 4,966,498 |

Douglas 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 | Limited Gen. Obligation Bonds | 12/1/2042 | - | 4,000,000 | - | 4,000,000 |
| 251.11 | Limited Gen. Obligation Bonds | 12/1/2022 | 925,000 | - | 170,000 | 755,000 |
| 251.11 | Limited Gen. Obligation Bonds | 12/1/2032 | 7,370,000 | - | 430,000 | 6,940,000 |
| 263.81 | Public Works Trust fund Loan | 7/1/2024 | 113,640 | - | 16,234 | 97,406 |
| 263.81 | Public Works Trust fund Loan | 7/1/2025 | 463,412 | - | 57,927 | 405,485 |
| 263.81 | Public Works Trust fund Loan | 7/1/2027 | 115,133 | - | 11,513 | 103,620 |
| Total General Obligation Debt/Liabilities: | | | 8,987,185 | 4,000,000 | 685,674 | 12,301,511 |
| Revenue and Other (non G.O.) Debt/Liabilities | | | | | | |
| 259.12 | COMPENSATED ABSENCES | | 1,366,188 | 3,487,217 | 3,463,848 | 1,389,557 |
| 264.30 | Pension Liability | | 6,889,364 | - | 2,010,715 | 4,878,649 |
| Total Revenue and Other (non G.O.) Debt/Liabilities: | | | 8,255,552 | 3,487,217 | 5,474,563 | 6,268,206 |
| Total Liabilities: | | | 17,242,737 | 7,487,217 | 6,160,237 | 18,569,717 |

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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