



Office of the Washington State Auditor
Pat McCarthy

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

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

Published September 23, 2019

Report No. 1024635





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

September 23, 2019

Board of Commissioners
Whitman County
Colfax, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Whitman County January 1, 2018 through December 31, 2018

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

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

Federal Awards

Internal Control over Major Programs:

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

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

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

Identification of Major Federal Programs

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

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

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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

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

Board of Commissioners
Whitman County
Colfax, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Whitman County, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated September 9, 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.

In addition, we noted certain matters that we will report to the management of the County in a separate letter dated September 16, 2019.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy

State Auditor

Olympia, WA

September 9, 2019

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

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

Board of Commissioners
Whitman County
Colfax, Washington

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

We have audited the compliance of Whitman County, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. The County's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Other Matters

We noted certain matters that we will report to the management of the County in a separate letter dated September 16, 2019.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

We noted certain matters that we will report to the management of the County in a separate letter dated September 16, 2019.

Purpose of this Report

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



Pat McCarthy
State Auditor
Olympia, WA

September 9, 2019

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Whitman County January 1, 2018 through December 31, 2018

Board of Commissioners
Whitman County
Colfax, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Whitman County, for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's financial statements, as listed on page 15.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 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

September 9, 2019

FINANCIAL SECTION

Whitman County January 1, 2018 through December 31, 2018

FINANCIAL STATEMENTS

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

SUPPLEMENTARY AND OTHER INFORMATION

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

Whitman 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 Building & Development- PW	103 Countywide Planning-PW
Beginning Cash and Investments					
30810	Reserved	2,001,937	-	-	-
30880	Unreserved	28,653,197	9,044,159	117,690	59,524
388 / 588	Prior Period Adjustments, Net	(75,789)	(32,847)	-	-
Revenues					
310	Taxes	13,834,579	9,423,771	-	-
320	Licenses and Permits	272,245	160,275	111,185	-
330	Intergovernmental Revenues	8,800,140	2,369,919	-	70,695
340	Charges for Goods and Services	11,061,493	1,797,207	-	23,128
350	Fines and Penalties	1,191,282	1,187,451	-	-
360	Miscellaneous Revenues	1,254,360	1,146,093	-	-
Total Revenues:		36,414,099	16,084,716	111,185	93,823
Expenditures					
510	General Government	6,775,095	6,155,275	-	-
520	Public Safety	5,904,805	5,306,903	-	-
530	Utilities	3,288,355	-	-	-
540	Transportation	10,881,968	-	-	-
550	Natural and Economic Environment	744,316	212,494	135,539	280,768
560	Social Services	1,778,818	972,000	-	-
570	Culture and Recreation	725,515	676,227	-	-
Total Expenditures:		30,098,873	13,322,898	135,539	280,768
Excess (Deficiency) Revenues over Expenditures:		6,315,227	2,761,817	(24,354)	(186,945)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	1,265,267	-	-	-
397	Transfers-In	2,598,962	624,069	-	188,148
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	215,399	1,450	-	-
Total Other Increases in Fund Resources:		4,079,628	625,519	-	188,148
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,264,296	81,453	-	-
591-593, 599	Debt Service	408,119	595	-	-
597	Transfers-Out	2,598,962	1,141,530	-	2,948
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	86,294	86,294	-	-
Total Other Decreases in Fund Resources:		8,357,671	1,309,872	-	2,948
Increase (Decrease) in Cash and Investments:		2,037,184	2,077,464	(24,354)	(1,745)
Ending Cash and Investments					
5081000	Reserved	1,885,585	-	-	-
5088000	Unreserved	30,730,740	11,088,573	93,337	57,780
Total Ending Cash and Investments		32,616,325	11,088,573	93,337	57,780

The accompanying notes are an integral part of this statement.

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

		104			
		Developmental	108 Veterans	109 Homeless	110 County
		Services	Relief	Housing Plan	Road-PW
Beginning Cash and Investments					
30810	Reserved	71,136	-	-	-
30880	Unreserved	239,107	105,646	167,452	4,774,895
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	50,935	46,167	-	2,557,644
320	Licenses and Permits	-	-	-	785
330	Intergovernmental Revenues	-	-	-	5,921,778
340	Charges for Goods and Services	499,362	-	191,328	255,228
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,291	-	-	2,549
Total Revenues:		551,588	46,167	191,328	8,737,984
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	18,000
530	Utilities	-	-	-	-
540	Transportation	-	-	-	7,375,840
550	Natural and Economic Environment	-	-	-	-
560	Social Services	531,364	35,515	239,940	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		531,364	35,515	239,940	7,393,840
Excess (Deficiency) Revenues over Expenditures:		20,224	10,652	(48,612)	1,344,144
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	-	-	-	2,092,115
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	231,574
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	-	-	2,323,689
Increase (Decrease) in Cash and Investments:		20,224	10,652	(48,612)	(979,545)
Ending Cash and Investments					
5081000	Reserved	71,136	-	-	-
5088000	Unreserved	259,331	116,299	118,839	3,795,349
Total Ending Cash and Investments		330,467	116,299	118,839	3,795,349

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

	112 Public Facilities Improvement	115 Hotel/Motel Tax	116 Domestic Violence Services	117 Boating Safety
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	4,176,850	21,823	479
388 / 588	Prior Period Adjustments, Net	-	-	57,862
Revenues				
310	Taxes	774,706	5,803	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	28,013
340	Charges for Goods and Services	-	-	432
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	-	-	-
Total Revenues:		774,706	5,803	432
Expenditures				
510	General Government	-	-	479
520	Public Safety	-	-	82,861
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	79,000	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		79,000	-	479
Excess (Deficiency) Revenues over Expenditures:		695,706	5,803	(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	-	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	-	-
Increase (Decrease) in Cash and Investments:		695,706	5,803	(47)
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	4,872,556	27,625	432
Total Ending Cash and Investments		4,872,556	27,625	432
		43,999	432	43,999

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

		<u>120 Historical Preservation</u>	<u>123 Paths & Trails</u>	<u>124 REET Technology</u>	<u>126 Treasurer M&O</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	43,597	152,031	185,329	179,064
388 / 588	Prior Period Adjustments, Net	-	-	-	(44,141)
Revenues					
310	Taxes	-	-	8,122	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	22,928	11,215	-
340	Charges for Goods and Services	5,722	30,000	7,389	26,215
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	954	-	300
Total Revenues:		<u>5,722</u>	<u>53,882</u>	<u>26,726</u>	<u>26,515</u>
Expenditures					
510	General Government	-	-	-	12,620
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	49,288	-	-
Total Expenditures:		<u>-</u>	<u>49,288</u>	<u>-</u>	<u>12,620</u>
Excess (Deficiency) Revenues over Expenditures:		<u>5,722</u>	<u>4,594</u>	<u>26,726</u>	<u>13,895</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	7,500	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>5,722</u>	<u>12,094</u>	<u>26,726</u>	<u>13,895</u>
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	49,319	164,124	212,055	148,818
Total Ending Cash and Investments		<u>49,319</u>	<u>164,124</u>	<u>212,055</u>	<u>148,818</u>

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

		<u>127 Quad-City Task Force</u>	<u>128 Crime Victims/Witness</u>	<u>132 Auditor Document Preservation</u>	<u>134 Election Reserve</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	222,661	273,862	149,875	4,036
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	29,813	55,503	52,541	9,953
340	Charges for Goods and Services	500	39,417	16,445	24,240
350	Fines and Penalties	981	2,850	-	-
360	Miscellaneous Revenues	36,919	-	-	-
Total Revenues:		<u>68,214</u>	<u>97,770</u>	<u>68,986</u>	<u>34,193</u>
Expenditures					
510	General Government	-	91,053	53,110	10,076
520	Public Safety	96,818	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>96,818</u>	<u>91,053</u>	<u>53,110</u>	<u>10,076</u>
Excess (Deficiency) Revenues over Expenditures:		(28,605)	6,717	15,876	24,117
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	-	-	-	17,220
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	5,034	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>5,034</u>	<u>-</u>	<u>-</u>	<u>17,220</u>
Increase (Decrease) in Cash and Investments:		(33,639)	6,717	15,876	6,897
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	189,023	280,579	165,751	10,934
Total Ending Cash and Investments		<u>189,023</u>	<u>280,579</u>	<u>165,751</u>	<u>10,934</u>

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

	135 Prosecutor STOP Grant	136 Public Defense Improvement	141 WA State HB 2060	143 Trial Court Improvement
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	8,189	10,117	134,090
388 / 588	Prior Period Adjustments, Net	-	-	17,868
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	21,118	-	26,171
340	Charges for Goods and Services	-	32,531	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	-	-	-
	Total Revenues:	21,118	32,531	26,171
Expenditures				
510	General Government	16,119	-	17,639
520	Public Safety	6,117	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	36,516	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
	Total Expenditures:	22,236	36,516	17,639
	Excess (Deficiency) Revenues over Expenditures:	(1,118)	(3,985)	8,532
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	60,998
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
	Total Other Increases in Fund Resources:	-	-	60,998
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	41,915	60,998
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
	Total Other Decreases in Fund Resources:	-	41,915	60,998
	Increase (Decrease) in Cash and Investments:	(1,118)	(3,985)	8,532
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	7,071	6,133	160,489
	Total Ending Cash and Investments	7,071	6,133	160,489

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

		<u>144 Emergency Communication s</u>	<u>200 Debt Service</u>	<u>300 Capital Projects</u>	<u>400 Solid Waste -PW</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	1,706,360
30880	Unreserved	756,308	4,780	1,620,542	2,369,647
388 / 588	Prior Period Adjustments, Net	-	-	1,199	-
Revenues					
310	Taxes	854,818	-	112,613	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	138,578
340	Charges for Goods and Services	1,546	-	-	3,347,929
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	19,899	12	430	30,861
Total Revenues:		<u>876,263</u>	<u>12</u>	<u>113,043</u>	<u>3,517,367</u>
Expenditures					
510	General Government	-	-	9,524	-
520	Public Safety	384,733	-	9,375	-
530	Utilities	-	-	-	3,288,355
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>384,733</u>	<u>-</u>	<u>18,899</u>	<u>3,288,355</u>
Excess (Deficiency) Revenues over Expenditures:		491,530	12	94,144	229,013
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	1,265,267	-	-	-
397	Transfers-In	-	529,592	458,573	240,632
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	7,291	-	-	148,226
Total Other Increases in Fund Resources:		<u>1,272,558</u>	<u>529,592</u>	<u>458,573</u>	<u>388,858</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,395,009	-	38,262	296,294
591-593, 599	Debt Service	-	166,891	-	240,632
597	Transfers-Out	-	4,792	616,481	316,278
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>1,395,009</u>	<u>171,684</u>	<u>654,743</u>	<u>853,204</u>
Increase (Decrease) in Cash and Investments:		369,079	357,920	(102,026)	(235,333)
Ending Cash and Investments					
5081000	Reserved	-	-	1,834	1,610,762
5088000	Unreserved	1,125,387	362,701	1,517,880	2,229,911
Total Ending Cash and Investments		1,125,387	362,701	1,519,714	3,840,673

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

	501 Equipment Rental/Revolvin g-PW	511 Unemployment Insurance	515 Information Technology Operations
Beginning Cash and Investments			
30810	Reserved	-	224,441
30880	Unreserved	3,314,874	-
388 / 588	Prior Period Adjustments, Net	-	245,242
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	4,721,890	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	15,038	14
Total Revenues:		4,736,928	14
Expenditures			
510	General Government	-	22,588
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	3,506,128	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		3,506,128	22,588
Excess (Deficiency) Revenues over Expenditures:		1,230,800	(22,588)
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	489,450
385	Special or Extraordinary Items	-	-
386 / 389	Custodial Activities	-	-
381, 395, 398	Other Resources	58,433	-
Total Other Increases in Fund Resources:		58,433	489,450
Other Decreases in Fund Resources			
594-595	Capital Expenditures	1,303,693	-
591-593, 599	Debt Service	-	-
597	Transfers-Out	177,412	-
585	Special or Extraordinary Items	-	-
586 / 589	Custodial Activities	-	-
581	Other Uses	-	-
Total Other Decreases in Fund Resources:		1,481,105	40,250
Increase (Decrease) in Cash and Investments:		(191,872)	(22,588)
Ending Cash and Investments			
5081000	Reserved	-	201,853
5088000	Unreserved	3,123,001	-
Total Ending Cash and Investments		3,123,001	201,853
			307,844
			307,844

Whitman 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	Custodial	
308	Beginning Cash and Investments	73,242,443	14,325	73,228,118
388 & 588	Prior Period Adjustment, Net	122,794	-	122,794
310-390	Additions	266,235,961	242,687	265,993,274
510-590	Deductions	245,275,584	240,855	245,034,729
	Net Increase (Decrease) in Cash and Investments:	20,960,377	1,832	20,958,546
508	Ending Cash and Investments	94,325,613	16,157	94,309,456

The accompanying notes are an integral part of this statement.

Whitman County
Notes to the Financial Statements
For the year ended 12/31/2018

Note 1 - Summary of Significant Accounting Policies

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

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

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

A. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

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

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUND TYPES:

Enterprise Funds

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

Internal Service Funds

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

FIDUCIARY FUND TYPES:

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

Custodial Funds

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

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 3, *Deposits and Investments*.

D. Capital Assets

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

E. Compensated Absences

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

F. Long-Term Debt

See Note 6, *Debt Service Requirements*.

G. Reserved Portion of Ending Cash and Investments

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

Reservations of Ending Cash and Investments consist of:

<u>Fund</u>	<u>Amount (\$)</u>	<u>Description</u>
104.340.000	71,136	Developmental Services Reserve
300.010.008	1,834	Capital Assets-JPAC
410.400.000	1,610,762	Restricted for landfill closure & post closure costs
511.012.000	201,853	Unemployment insurance
620.140.000	16,157	Detainee Trust/Sheriff
690.007.000	430	Liberty Bell Trust
690.300.001	3,947	Fair Suspense - Ernie Dippel Memorial
690.300.002	3,867	Fair Suspense - Zaidee Parvin Memorial
690.300.005	140	Fair Suspense - Building Fund

Note 2 – Budget Compliance

A. Budgets

The County adopts annual appropriated budgets for Governmental and Proprietary funds. These budgets are appropriated at the fund level except the General (Current Expense)

Fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year-end.

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

The funds in the chart below that are marked by an * are non-restricted special revenue and debt services funds that have been rolled into the County's Current Expense/General Fund as explained further in Note 10I. The funds in the chart below marked by ** have a variances from the accounting system final appropriated budget to the adopted final appropriated budget due to a formula error. The total difference is a \$2,675 increase in the budget, and the accounting system total is used in this note.

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

Fund/Department	Final Appropriated	Actual Expenditures	Variance
001 Current Expense/General Fund			
009 Commissioners Department	375,587	367,630	7,957
010 General Government	3,890,771	3,447,385	443,386
012 Administrative Services	227,851	214,287	13,564
013 Human Resources	222,433	207,399	15,034
020 Superior Court	229,361	188,744	40,617
030 District Court	795,755	758,051	37,704
040 Clerk	262,071	253,911	8,160
050 Treasurer	387,349	363,679	23,670
060 Auditor	874,525	812,239	62,286
080 Assessor	435,977	412,440	23,537
100 Prosecuting Attorney	679,935	675,611	4,324
105 Child Support Enforcement	126,056	95,915	30,141
120 Facilities Management	678,521	553,382	125,139
140 Sheriff	3,836,144	3,554,809	281,335
170 Juvenile Services	611,855	576,959	34,896

200 Weed Control	104,126	98,408	5,718
220 Coroner	190,556	161,363	29,193
240 County Extension	134,311	123,476	10,835
260 Emergency Management	244,027	184,997	59,030
280 Public Health	843,532	806,371	37,161
300 Fair	377,212	345,915	31,297
310 Parks & Recreation	246,902	240,728	6,174
320 Information Technology	234,497	227,029	7,468
Total Current Expense/General Fund:	16,009,354	14,670,728	1,338,626
*101 Self Insurance	57,500	30,985	26,515
102 Building And Development	260,540	135,538	125,002
103 Countywide Planning	495,258	283,716	211,542
104 Developmental Services	953,974	531,364	422,610
*106 Extension Publications	200	14	186
108 Veterans Relief	135,550	35,515	100,035
109 Homeless Housing Plan	300,000	239,940	60,060
110 County Road-PW	19,243,893	9,723,387	9,520,506
112 Public Facilities Improvement	4,170,000	79,000	4,091,000
115 Hotel/Motel Tax	20,000	0	20,000
116 Domestic Violence Services	879	479	400
117 Boating Safety	106,600	82,861	23,739
*118 Inmate Welfare	34,000	7,470	26,530
120 Historical Preservation/Programs	48,500	-	48,500
*122 Sheriff K-9 Unit	12,500	4,923	7,577
123 Paths & Trails	216,577	49,288	167,289

124 REET Technology	8,100	0	8,100
*125 Donations & Planned Giving	341,787	2,170	339,617
126 Treasurer Maintenance and Operations	15,000	12,620	2,380
127 Quad-City Task Force-Drug Enforcement	407,948	101,852	306,096
128 Crime Victims/Witness	103,520	91,053	12,467
*129 Juvenile Special Revenue Funds	91,500	8,926	82,574
*130 Inter-Local Drug Fund	18,000	-	18,000
132 Auditors Document Preservation Fund	272,900	53,110	219,790
*133 Commissioners Special Revenue	230,000	89,540	140,460
134 Elections Reserve	115,400	27,296	88,104
135 Prosecutor STOP Grant	26,119	22,236	3,883
**136 District Court Funds	41,915	41,915	0
*138 Federal Equitable Sharing	250,500	10,200	240,300
**141 Washington Housing SHB 2060	38,000	36,516	1,484
143 Trial Court Improvement	212,614	78,637	133,977
144 Emergency Communication System	2,421,770	1,779,742	642,029
200 Debt Service-External	534,386	171,684	362,702
*210 Debt Service-County-Inside	86,890	86,889	1
300 Capital Projects	1,775,916	638,647	1,137,269
310 Capital Projects—Fair	13,067	0	13,067
320 Capital Projects-Outside Sources	134,587	34,995	99,592
400 Solid Waste-PW	6,694,000	4,015,642	2,678,358
410 Solid Waste Reserve	1,990,360	202,077	1,788,283
501 Equipment Rental & Revolving	7,192,100	5,033,250	2,158,850
511 Unemployment Insurance Revolving	200,000	22,588	177,412
515 Information Technology Operation	742,185	426,862	315,323

Note 3 – Deposits and Investments

It is the County’s policy to invest all temporary cash surpluses. The County allocates the interest and other income earned on the cash surpluses into the general fund. For the year ending on December 31, 2018, the residual cash balance that is invested by and for the County is \$12,469,123

Local Government Investment Pool (LGIP), Municipal Investments, and Bank-Invested Programs are a combination of County and Agent-held monies. Investments held for local governments, individuals, or private organizations receive the interest income generated from their investments as the County is directed.

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

Investments, other than LGIP, are reported at original cost. Local Government Investment Pool (LGIP) investments are reported as an amortized amount with interest earnings being reported when earned. Investments by type at December 31, 2018 are as follows:

Type of Investment	County's Own Investments	Investments held by County as an agent for other local governments, individuals or private organizations	Total
L.G.I.P.	20,309,055	84,099,531	104,408,586
Municipal Investment	5,845,217	5,501,303	11,346,520
Bank Investment Program	4,326,348	3,438,525	7,764,873
	30,480,620	93,039,359	123,519,979

Note 4 – Property Tax

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

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

The County’s regular levy for the year 2018 was \$1.51801497 per \$1,000 on an assessed valuation of \$4,049,082,557 for a total regular levy of \$6,146,568.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The County’s road levy for 2018 was \$1.424870 per \$1,000 on an assessed valuation of \$1,773,830,818 for a total road levy of \$2,527,478.

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

government services. The County has chosen not to divert road levy monies at this time as authorized by RCW 84.52.043(1)(d).

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2018:

BORROWING FUND	LENDING FUND	BALANCE 1/1/18	NEW LOANS	REPAYMENT	BALANCE 12/31/18
Current Expense	Solid Waste	259,531		86,294	173,237
Emergency Communications	Capital Projects	500,000	-	-	500,000
TOTAL		759,531	-	86,294	673,237

Note 6 – Debt Service Requirements

Debt Service

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

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

	Principal	Interest	Total
2019	\$ 477,080	\$ 138,260	\$ 615,340
2020	\$ 494,104	\$ 121,236	\$ 615,340
2021	\$ 511,738	\$ 103,602	\$ 615,340
2022	\$ 530,002	\$ 85,338	\$ 615,340
2023	\$ 548,919	\$ 66,420	\$ 615,340
2024-2028	\$ 1,099,417	\$ 150,672	\$ 1,250,089
2029-2031	\$ 397,635	\$ 19,593	\$ 417,228
	\$ 4,058,895	\$ 685,121	\$ 4,744,016

Note 7 – Pension Plans

A. State Sponsored Pension Plans

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

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

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

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

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

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

At June 30, 2018 (the measurement date of the plans), the County’s proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$ 417,688	0.062489%	\$ 2,790,735
PERS 2/3	\$ 573,469	0.074321%	\$ 1,268,965
PSERS 2	\$ 27,280	0.103299%	\$ 1,280
LEOFF 1		0.005766%	\$ (104,682)
LEOFF 2	\$ 67,893	0.039152%	\$ (794,871)

LEOFF Plan 1

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

LEOFF Plan 2

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

recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

Note 8 – OPEB Plans

Post-Employment Benefits Other Than Pension Benefit

In addition to the pension benefits described in Note 7, the County provides post-employment health care benefits, in accordance with Revised Code of Washington (RCW) 41.26.150 to LEOFF Plan 1 employees who are retirees. In 2018 three retirees met those eligibility requirements, and actual expenditures were paid out of the General Fund/Current Expense as they were incurred.

The County carried medical insurance on three retirees and reimbursed medical premium expenses. The County reimbursed 100 percent of the amount of validated claims for medical, prescription drugs and hospitalization costs incurred by all retirees. The County had long-term care coverage and paid the premiums for two retirees.

Retiree One was reimbursed for Medicare Part B, medical insurance coverage through Washington Counties Insurance Fund (WCIF) and any other remaining medical expenses. Retiree Two was reimbursed for Medicare Part B, medical insurance coverage through Mutual of Omaha, AARP Prescription Policy, long-term care premium, and any remaining medical expenses. Retiree Three was reimbursed for Medicare Part B, medical insurance coverage (Federal medical), long-term Care premium, and any remaining medical expenses.

Total expended for post-employment health care for the three retired members in 2018 was \$26,526.

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

Note 9 – Risk Management

A. Risk Pool

Whitman County is a member of Washington Rural Counties Insurance Program (WRCIP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire, or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1998, when three counties in the state of Washington joined together by signing an

Interlocal Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2018, there are eight counties in the program.

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

The program acquires insurance through their administrator, Clear Risk Solutions. Liability coverage is purchased to an aggregate limit of \$45,000,000 with a self-insured retention (SIR) of \$50,000. Members are responsible for a \$1,000 to \$10,000 deductible for each claim, while the program is responsible for the \$50,000 self-insured retention. Since the program is a cooperative program, there is a joint liability among the participating members toward the sharing of the \$50,000 self-insured retention, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, **with an attachment point of \$547,176.**

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

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

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

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

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

The program is funded by its member participants and has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, claims adjustment, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the policy year ending December 1, 2018, were \$959,791.31.

WRCIP's financial statements may be obtained by contacting them at:

Washington Rural Counties Insurance Fund
451 Diamond Drive
Ephrata, WA 98823
info@wrcip.us
509.754.2027

B. Unemployment Compensation

The County is self-insured for unemployment compensation benefits. In 2018 there were six claims totaling \$22,588. At the end of the fiscal year, a total of \$201,853.04 remains in the unemployment self-insurance fund.

Note 10 - Other Disclosures

A. Joint Ventures

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

1. *Aging and Long Term Care of Eastern Washington (ALTCEW)* is mandated to assist seniors in finding the services they need to remain independent and safe in their homes for as long as possible, serving Whitman, Spokane, Ferry, Stevens And Pend Oreille Counties. The County pays annual dues, and in 2018 the dues totaled \$4,057.
2. *Eastern Washington Council of Governments* – The Eastern Washington Council of Governments is organized under the RCW 36.64.080-Joint governmental activities act. The member counties meet to discuss issues affecting counties in Eastern Washington State. Members may request topics of interest be put on the agenda at the next meeting and speakers from different governmental organizations and the private sector are welcome. In order for EWCOG to take a position on an issue, all member counties must pass a resolution at their regular board of county commissioners meeting.
3. *Greater Columbia Behavioral Health Regional Support Network (GCBH)* - GCBH manages a network of Behavioral Health agencies located in Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Klickitat, Walla Walla, Whitman and Yakima counties. GCBH operates through an Interlocal Agreement with these 10 counties to provide services through contracts with the State of Washington.

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

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

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

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

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

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

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

the agricultural heritage of the area and augmenting services available to the tourism industry of the area.

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

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

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

11. *Voluntary Stewardship Program (VSP)* - Washington State's Voluntary Stewardship Program provides an alternative approach for counties to address our state's Growth Management Act requirements. The program uses a watershed-based, incentive-based process to protect critical areas, promote viable agriculture, and encourage cooperation among diverse stakeholders.
12. *Washington Counties Insurance Fund (WCIF)* – Washington Counties Insurance Fund (WCIF) is a public sector, non-profit, multiple employer, health and welfare trust located in Tumwater, WA. WCIF was formed to pool the cost of employee benefits for counties, taxing districts, and special purpose districts throughout the state. The purpose of the WCIF board is to administer these programs for the benefit of its members.
13. *Washington Rural Counties Insurance Pool (WRCIP)* – Refer to Note 7 of this document.
14. *Whitcom Executive Committee/Finance Committee* - Whitcom is the consolidated E-911 dispatch center for Whitman County, City of Pullman, Washington State University, City of Moscow, ID, and Asotin County, WA. The County has an appointed Commissioner member on the board of Whitcom. The County also pays contracted cost for services, \$218,940 in 2018 as well as facilitating pass-through state grants of \$765,780.
15. *Workforce Development Council/Eastern Washington Partnership* - Eastern Washington Partnership (EWP) Workforce Development Council (WDC) is a 19-member volunteer board of directors, a majority of whom are from the private sector. The board designs and administers a workforce development system to meet the needs of employers, workers, job seekers, and youth in the Counties of Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Stevens, Walla Walla, and Whitman under the Workforce Innovation and Opportunity Act of 2014. Federal funding funneled through the Washington State Employment Security Department is distributed to the WDC and contracted out to different service providers. Once contracts are awarded, they are tracked and monitored by WDC staff to ensure that program goals and objectives are being met.
16. *Washington State Association of Counties (WSAC) Legislative Steering Committee (LSC)* – The LSC is composed of one member from each of WSAC's member counties as well as each of the four County Executives. LSC members have frequent interaction, particularly during the state's legislative session with legislators, agency staff, and representatives of other organizations. In addition to setting the policy direction for the association through the Legislative Agenda, LSC members are expected to attend regular meetings during legislative session and to communicate with legislators regarding WSAC's legislative priorities.
17. *City of Pullman* –The City of Pullman (City) and County entered into an interlocal agreement in June 2015 to improve the economic development of the Highway 270 corridor between Pullman and Moscow. A Joint Planning Area Committee (JPAC) was created by the agreement and consists of County and City officials/staff who monitor the Interlocal Agreement. JPAC makes recommendations to the governing City and County

legislative bodies, specifically expenditures of shared revenues described within the agreement from sales and use tax revenue generated within the agreed-upon geographic area to ensure that infrastructure will be in place as provided in the agreement.

B. Closure and Post Closure Care Cost

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

In the fall of 2017, the County undertook the design and construction of some large-scale repairs and upgrades to the cover materials over cells 2 and 3. A large area of settlement was identified, and required re-grading, and the gas monitoring system needed upgrades and repairs to be useful for monitoring. The repair work was completed in 2018 at a cost of \$105,213.

A fourth cell at the facility, Cell #4, is still open and receiving "Limited Purpose" waste (mostly construction debris and asbestos). This cell is permitted in accordance with the provisions of WAC 173-350. The County hired a consulting engineering firm to provide preliminary design work for closure of Cell #4, and a more accurate estimate of the number of years remaining for active filling before conducting closure activities. The revised estimate that Cell #4 will be able to receive waste for another 5 to 8 years, at the current rate of filling. Once the cell is closed, it will require on-going, long-term monitoring and maintenance. The Solid Waste Reserve Fund will finance the closure costs. Post-closure activities for Cell #4 are predicted to carry on for a minimum of twenty years after closure, assuming there is no need for remediation or large scale repairs to the facility. Closure costs are estimated to be approximately \$986,000 (2018). Post closure care costs (facility maintenance and environmental monitoring) are in addition to the closure costs. Current fund balance allocated for post-closure care is estimated at \$1,000,000. The long term liability for closure and post-closure care combined is in excess of \$1,700,000.

The 2018 annual costs associated with the landfill for post-closure activity for Cells 1-3 were \$11,935 to cover repairs, groundwater monitoring, and inspections. As mentioned above, \$105,213 was spent on repair work and an additional \$96,864 was spent on professional services with respect to the repairs and upgrades to meet regulatory requirements.

Both WAC 173-304-467 and WAC 173-350-600 require public entities to maintain a

financial assurance account. The sole purpose of the account is to bear the costs of performing closure and post-closure activities at the facility. The financial assurance plan for the facility has been submitted to the DOE for approval in our facility permit renewal process. The financial assurance plan and funds have been reviewed and approved by DOE and the jurisdictional health department.

The County established a fund for closure and post-closure costs (Fund 410, Solid Waste Reserve), which meets the requirements of the WAC provisions. A portion of the tipping fee collected at the facility (currently \$2.50/ton) is transferred to the Reserve fund from the Solid Waste Fund. The amount transferred to the Solid Waste Reserve Fund in 2018 was \$76,160. The amount of the transfer is modeled to increase over the coming years to cover the cost of closure and post-closure activities (see Great West Engineering draft report, November 2018, which assesses whether the balance of the fund is sufficient to cover the long-term costs of closure and post closure activities).

C. Self-Insurance

The County is allowed by Washington State Department of Employment Security to self-insure our risk. As described in Schedule 21, \$22,588 were paid out in claims for 2018. The December 31, 2018 restricted cash balance of the fund is \$201,853.

E. Pollution Remediation Obligation

The County continually reviews any possible pollution remediation and foresees no obligations at this time for any of the remediation items mentioned below. The County considered asbestos removal, EPA superfund sites, Brownfield remediation, leaking underground storage tanks, chemical spills, and water pollution as possible pollution remediation situations. To review specifically:

1. **Asbestos removal** – The County placed asbestos removal in two categories; voluntary commencement and imminent threat for any County-owned site or properties. Known points of exposure are the Courthouse main building and a small amount in the vacant house at the Elberton Park site, soon to be abated by a licensed contractor. Asbestos inspections are completed annually by staff and every three years by an outside contractor to determine if there are any imminent threats, and if those threats are found they are immediately remedied by an outside contractor who is responsible for proper disposal. Site-specific surveys are conducted before any action is taken on construction or remodeling in or around any properties owned by the County. This process involves an outside contractor to be brought in to assess any possible asbestos exposures and eradicate the issue and properly dispose of materials as part of any County renovation. Costs of abatements in the last several years have run from \$6,500 to \$36,000 and have occurred because of contingency to construction during planned renovation projects.

2. **EPA Superfund Sites** – This is not applicable to the County.
3. **Brownfield Remediation** – This is not applicable to the County.
4. **Leaking underground storage tanks** – The County owns one underground storage tank beneath the parking lot north of the Colfax Jail Facility. It is a small 1,000-gallon tank containing diesel fuel for a nearby generator. The tank is monitored weekly by the Facilities Maintenance staff to ensure that lines are tight and fuel usage is measured and documented with run time recording. The tank has an alarm system, and an outside contractor makes annual inspections of the tank to ensure its viability and safety. Any leak would be detected immediately, and remediation is considered negligible.
5. **Chemical Spills** - Four departments within the County are involved with chemicals. The Parks, Facilities, and Fairgrounds employees are licensed and trained to apply chemicals. Employees follow all applicable laws and procedures concerning chemical spills, storage, and application. No chemical spill occurred in/on the County's Parks, Facilities, or Fairgrounds in 2018.

The County Public Works Department uses chemicals each year to help with control of vegetation. Small quantities of chemical agents may be stored at each of the shop or field sites (typically less than five gallons). Our primary vegetation management division is based out of the central shop on Duncan Springs Road just outside of Colfax. Larger quantities of chemical agents are stored at this shop facility for use in our roadside spray program. We endeavor to store as little material as possible to manage the program. We also endeavor to store as little material as possible over the winter months, when we are not actively spraying weeds and vegetation.

Public Works personnel are trained and certified with either their hazardous materials licenses to transport, or a certified "Public Operators" license for application. All storage areas for chemicals are out of the weather in covered and appropriately-marked storage buildings. Employees follow applicable laws and procedures when handling chemicals, and are trained to react appropriately to the possibility of spills. There were no reported spills for the Public Works Department in 2018.

6. **Water Pollution** –Five septic systems are located at the Fairgrounds facility. They are situated at proper distances from a creek running through the 47-acre site. There are seven holding tanks and dump stations that are continually monitored and serviced by licensed pumping companies in the region. Animal manure and bedding materials accumulated during Fairground events are hauled away to eliminate any possible pollution situation.

F. Litigation, Claims, Assessments

There is one current lawsuit against the County.

1. The plaintiff is named Leslie Hehr, who alleges unlawful and excessive use of force by a Sheriff's Deputy in 2016. This matter has been referred to the County's insurer, who has retained the Spokane firm of Evans Craven and Lackey. The County Prosecutor respectfully declines to provide information as to the County's defense strategy in the matter, however, he can tell you that he believes it is unlikely that this case will result in any monetary liability to the County that would not be covered by the County's insurance with Clear Risk Solutions.

G. Pending Fiscal Concern

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

There was no retail commercial development on the property detailed in the agreement, and no financial payment from the County between 2008 and 2018 was made.

The Hawkins Companies LLC sold the property to an entity unrelated to the County on August 23, 2018, and as such the County no longer has a pending fiscal concern regarding with Hawkins Companies LLC in this matter.

H. Prior Period Adjustments

The 2018 Prior Period Adjustments for the County netted to \$47,006. Below are explanations of the most significant adjustments.

The Current Expense/General Fund recorded a net of \$32,847 in prior period adjustments that reduced cash for 2018. A total of \$31,200 addressed the negative cash balance in 690.005.000 Medical Clearing Fund which had been inactive since 2012. The negative balance was caused by the medical payments exceeding the cash collected through payroll. The County's Clearing and Suspense Medical fund 690.005.000 netted prior period adjustments for \$31,200. This addressed the negative cash balance in the fund resulting in an

increase to cash by the entire adjusted amount.

An interlocal agreement for tax sharing with the City of Pullman (see Note 10.A.18) was signed in 2015. The 2016 and 2017 taxes totaling \$1,199 that were addressed in the agreement were moved from the Current Expense Fund into the Capital Projects-JPAC 300.010.008 restricted fund. Remaining \$448 were purchases/payments that occurred prior to 2018.

Funds collected from the County Treasurer’s 2017 surplus sales were held in the Treasurer’s Maintenance and Operations Fund 126.050.000. These funds were custodial, so they were moved to an Agency fund 690.001.000 that resulted in a net cash decrease of \$44,141 to the 126 fund.

In 2012 District Court’s Public Defense Funds 136.030.003 collected \$17,868 and moved the money to the Trial Court Improvement fund 143.030.000 to correctly report the revenue and increased cash to that fund. The Public Defense Fund’s cash was decreased by the adjustment and the Trial Court Improvement Fund’s cash was increased.

The County’s Clearing and Suspense fund 690.001.000 netted prior period adjustments for an increase in cash of \$91,594. The correction of reversing entries created in 2013 and 2014 netted a change of \$45,893, and the move of the custodial funds from the Treasurer’s Maintenance and Operation Fund of \$45,701.

I. Rolling Up Funds

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

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

Fund Name/Number	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
Self-Insurance Fund (101)	17,743	40,000	30,985	26,758
Extension Publications (106)	220	165	14	371
Inmate Welfare (118)	2,420	13,153	7,470	8,103
Sheriff K-9 Unit (122)	20,181	6,602	4,923	21,860
Donations & Planned Giving (125)	343,652	6,555	2,170	348,037
Juvenile Special Revenue (129)	87,469	8,555	8,926	87,098
Inter-Local Drug Fund (130)	12,525	-	-	12,525

Commissioner Special Revenue (133)	319,119	150,000	89,540	379,579
Federal Equitable Sharing (138)	173,695	62,412	10,200	225,907
Debt Service-County (210)	1	86,889	86,889	1
Combined with other General Funds	977,025	374,331	241,117	1,110,239

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

Fund Number/Name	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
300 Capital Projects General	1,465,146	567,601	638,647	1,394,100
310 Capital Projects Fair Museum	13,096	151	-	13,247
320 Capital Projects GO Bond Funds	142,299	5,064	34,995	112,368
Combined Funds under 300	1,620,541	572,816	673,642	1,519,715

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

Fund Number/Name	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
400 Solid Waste Fund	2,369,648	3,875,905	4,015,642	2,229,911
410 Solid Waste Reserve Fund	1,706,360	106,480	202,077	1,610,763
Combined Funds under 400	4,076,008	3,982,385	4,217,719	3,840,674

**Whitman 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	Public Works Building Bond--Holman Capital	3/31/2031	1,812,079	-	108,876	1,703,203
Total General Obligation Debt/Liabilities:			1,812,079	-	108,876	1,703,203
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Solid Waste Revenue Bond	12/20/2023	1,285,769	-	195,344	1,090,425
259.12	Compensated Absences		671,344	56,829	-	728,173
263.22	Landfill Closure and Post-closure Liability		1,924,200	-	224,200	1,700,000
263.52	Capital Lease--Purchase Emergency Communications	7/20/2025	-	1,265,267	-	1,265,267
264.40	LEOFF 1 OPEB Liability		-	1,404,242	-	1,404,242
264.30	Net Pension Liability		5,997,263	-	1,936,283	4,060,980
Total Revenue and Other (non G.O.) Debt/Liabilities:			9,878,576	2,726,338	2,355,827	10,249,087
Total Liabilities:			11,690,655	2,726,338	2,464,703	11,952,290

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington State Department of Health)	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	C17133	122,946	-	122,946	-	1, 2, 3
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Washington State Department of Health)	WIC Farmers' Market Nutrition Program (FMNP)	10.572	C17133	347	-	347	-	1, 2, 3
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	#17-62210-016	51,099	-	51,099	49,599	1, 2, 3, 4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via Washington State Department of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	#18-62210-016	56,398	-	56,398	54,898	1, 2, 3, 4
Total CFDA 14.228:				107,497	-	107,497	104,497	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Washington State Patrol)	National Criminal History Improvement Program (NCHIP)	16.554	N/A	19,436	-	19,436	-	1, 2

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Washington State Department of Commerce)	Crime Victim Assistance	16.575	S18-31102-532 19-31101-534	55,321	-	55,321	-	1, 2
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Community Services and Housing Division Office of Crime Victims Advocacy)	Violence Against Women Formula Grants	16.588	F17-31103-017	22,236	-	22,236	6,117	1, 2, 4
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Washington State Department of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	29,813	-	29,813	4,794	1, 2, 4
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9072	14,828	-	14,828	-	1, 2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-8888	10,221	-	10,221	-	1, 2

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9156	867	-	867	-	1, 2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9459	1,439	-	1,439	-	1, 2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9460	7,089	-	7,089	-	1, 2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9406	1,026,707	-	1,026,707	-	1, 2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-8938	20,360	-	20,360	-	1, 2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-9012	1,933	-	1,933	-	1, 2

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Total Highway Planning and Construction Cluster:				1,083,444	-	1,083,444	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	N/A	2,333	-	2,333	-	1, 2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	N/A	1,522	-	1,522	-	1, 2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	N/A	1,226	-	1,226	-	1, 2
				2,748	-	2,748	-	
Total CFDA 20.616:				2,748	-	2,748	-	
Total Highway Safety Cluster:				5,081	-	5,081	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Public Health Emergency Preparedness	93.069	C17133	27,656	-	27,656	-	1, 2, 3

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	N/A	18,403	-	18,403	-	1, 2, 5
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Immunization Cooperative Agreements	93.268	74310276	2,107	-	2,107	-	1, 2, 3
Total CFDA 93.268:				20,510	-	20,510	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of Washington Department of Social and Health Services)	Child Support Enforcement	93.563	75-1501-0-0- 609	12,337	-	12,337	-	1, 2
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via State of Washington Department of Social and Health Services)	Child Support Enforcement	93.563	Award #75- 1501-0-1-609 Contract #2110- 80496	68,847	-	68,847	-	1, 2
Total CFDA 93.563:				81,184	-	81,184	-	
Medicaid Cluster								

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Health Care Authority)	Medical Assistance Program	93.778	K3085	3,636	-	3,636	-	1, 2, 3
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Health Care Authority)	Medical Assistance Program	93.778	18-50	1,000	-	1,000	-	1, 2, 3
Total Medicaid Cluster:				4,636	-	4,636	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Department of Health)	Maternal and Child Health Services Block Grant to the States	93.994	C17133	44,480	-	44,480	-	1, 2, 3
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Parks and Recreation Commission)	Boating Safety Financial Assistance	97.012	N/A	20,609	-	20,609	-	1, 2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington Military Department)	Emergency Management Performance Grants	97.042	E18-108	13,210	-	13,210	-	1, 2

The accompanying notes are an integral part of this schedule.

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

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington Military Department)	Emergency Management Performance Grants	97.042	E19-132	9,847	-	9,847	-	1,2
Total CFDA 97.042:				23,057	-	23,057	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Greater Spokane Department of Emergency Management)	Homeland Security Grant Program	97.067	GSEM-1711 E18-163	9,832	-	9,832	-	1,2
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Greater Spokane Department of Emergency Management)	Homeland Security Grant Program	97.067	GSEM-1611, E17-082	15,313	-	15,313	-	1,2
Total CFDA 97.067:				25,145	-	25,145	-	
Total Federal Awards Expended:				1,693,398	-	1,693,398	115,408	

The accompanying notes are an integral part of this schedule.

Whitman County

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

Note 1 – Basis of Accounting

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

Note 2 – Program Costs

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

Note 3 – Indirect Cost Rate

Public Health Department has a Stated Indirect Rate of 20-percent for most of their grants. The Public Health Department contracted with Peter Moy from the Financial Consulting Solutions Group, Inc. to work with the Health department on the direct rate.

The U.S. Department of Housing and Urban Development (HUD) via the Washington State Department of Commerce pays the County a \$3,000 overhead fee for each Community Development Block Grant, each running from July 1 through June 30. In 2018 the County received \$1,500 for 17-66210-016 and \$1,500 for 18-66210-016.

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

Note 4 – Amounts Awarded to Sub-Recipients

Included in the total amount for these programs is \$115,408 that were passed through to a sub-recipient(s) that administered its own project.

Note 5 - Non-cash Awards - Vaccinations

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

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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

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

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